

**TOURISM & HOTEL LAWS**  
**MASTER OF BUSINESS ADMINISTRATION**  
**(TRAVEL & TOURISM MANAGEMENT)**  
**First Year, Semester-I, Paper-IV**

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**MASTER OF BUSINESS ADMINISTRATION  
(TRAVEL & TOURISM MANAGEMENT)  
TOURISM & HOTEL LAWS**

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## **FOREWORD**

*Since its establishment in 1976, Acharya Nagarjuna University has been forging ahead in the path of progress and dynamism, offering a variety of courses and research contributions. I am extremely happy that by gaining 'A+' grade from the NAAC in the year 2024, Acharya Nagarjuna University is offering educational opportunities at the UG, PG levels apart from research degrees to students from over 221 affiliated colleges spread over the two districts of Guntur and Prakasam.*

*The University has also started the Centre for Distance Education in 2003-04 with the aim of taking higher education to the door step of all the sectors of the society. The centre will be a great help to those who cannot join in colleges, those who cannot afford the exorbitant fees as regular students, and even to housewives desirous of pursuing higher studies. Acharya Nagarjuna University has started offering B.Sc., B.A., B.B.A., and B.Com courses at the Degree level and M.A., M.Com., M.Sc., M.B.A., and L.L.M., courses at the PG level from the academic year 2003-2004 onwards.*

*To facilitate easier understanding by students studying through the distance mode, these self-instruction materials have been prepared by eminent and experienced teachers. The lessons have been drafted with great care and expertise in the stipulated time by these teachers. Constructive ideas and scholarly suggestions are welcome from students and teachers involved respectively. Such ideas will be incorporated for the greater efficacy of this distance mode of education. For clarification of doubts and feedback, weekly classes and contact classes will be arranged at the UG and PG levels respectively.*

*It is my aim that students getting higher education through the Centre for Distance Education should improve their qualification, have better employment opportunities and in turn be part of country's progress. It is my fond desire that in the years to come, the Centre for Distance Education will go from strength to strength in the form of new courses and by catering to larger number of people. My congratulations to all the Directors, Academic Coordinators, Editors and Lesson-writers of the Centre who have helped in these endeavors.*

*Prof. K. Gangadhara Rao  
M.Tech., Ph.D.,  
Vice-Chancellor I/c  
Acharya Nagarjuna University.*

## **104TT26: TOURISM AND HOTEL LAWS**

### **Objectives:**

- a. To define in unambiguous terms the right and responsibilities of various service providers of Tourism.
- b. To become aware of Hospitality Industry regulations that protect business reputation.
- c. To have a comprehensive idea of the laws relating to employees, an employer includes legislation on employee health, safety, and labor law.

### **Unit- I**

**INTRODUCTION TO HOTEL AND TOURISM LAWS** - Regulations for Travel and Tourism Business - Regulation Governing Tourism Organizations - Laws Governing the Hotel Industry - Laws Requirements in Hotel Business - Laws Relating to Planning and Designing.

#### **Learning Outcome:**

- Understand the various basic regulations for the Travel and Tourism Business.

### **Unit - II**

**THE GUEST AND THE HOTEL** - Obligations of Hotelier - Liability of Hotelier - The rights of a Hotelier - Law of Contract - Contractual Relationship - Duties and Obligations of a Hotel - Breach of Contract.

#### **Learning Outcome:**

- Acquire knowledge of the rights and responsibilities of a hotelier.

### **Unit - III**

**LAWS RELATING TO REGISTRATION AND APPROVAL OF HOTEL** - Types of Licenses - Power of Licensing Authorities - Bar and Liquor License - Liquor Licensing Laws - Offences against Licensing Laws - Occasional License - Duties of License.

#### **Learning Outcome:**

- Understand the different procedures of licenses & approvals to a hotel.

### **Unit - IV**

**FOOD AND BEVERAGE LAWS** - Prevention of Food Adulteration Act, 1954 - Duties of Persons Handling food and Beverage and Personal Hygiene - General guidelines for food & Beverage Establishment.

#### **Learning Outcome:**

- Aware of the guidelines and laws regarding food & beverages hygiene, adulteration, & preservation

### **Unit - V**

**LAWS RELATING TO EMPLOYMENT AND WELFARE** - Obligations of the Employer - Duties of the Employee - Termination of Employment - Hotel's Liability to others - Employee Welfare & Social Security: Equal Remuneration Act, 1976 - The Employee's Provident Fund Act, 1952- The Minimum Wages Act, 1948 - The Workmen's Compensation Act, 1923 - New Pension Scheme, 2005.

#### **Learning Outcome:**

- Get knowledge of welfare & social security measures of employees through the concerned Acts.

## **REFERENCE BOOKS:**

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# **LESSON-1**

## **INTRODUCTION TO HOTEL AND TOURISM LAWS**

### **OBJECTIVES:**

- To understand the basics of Tourism & Hotel laws
- To know the various Laws governing tourism & hotel organizations in India.

### **1. INTRODUCTION TO HOTEL AND TOURISM LAWS**

Hotel and tourism laws form the legal framework within which the hospitality and travel sectors operate. These laws are essential because tourism involves the movement of people, the use of accommodation facilities, consumption of services, and interaction between tourists, businesses, and governments. As the tourism industry is highly service-oriented and customer-centric, legal compliance ensures safety, quality, standardization, and conflict-free operation. The primary objectives of hotel and tourism laws are:

- To regulate the functioning of tourism establishments and service providers.
- To protect the interests, safety, and rights of tourists.
- To ensure the quality, reliability, and professionalism of tourism services.
- To establish guidelines for hotel classification, licensing, safety, sanitation, and environmental responsibility.
- To minimize disputes through clear rules on contracts, liability, and consumer protection.

Thus, legal frameworks are essential for the sustainable growth of tourism and the development of a responsible, ethical, and professionally managed hospitality industry.

### **2. REGULATIONS FOR TRAVEL AND TOURISM BUSINESS**

The travel and tourism business includes tour operators, travel agencies, guides, transport providers, and other service intermediaries. Laws regulating this sector focus on licensing, registration, quality control, consumer protection, and accountability.

#### **Key Regulatory Areas**

##### **a) Registration and Licensing**

Travel agencies and tour operators must obtain:

- Business registration
- Tourism trade licenses (as required by national/state tourism departments)
- GST registration for financial compliance
- Accreditation from bodies like IATA (for ticketing agents)

Mandatory licensing ensures that only qualified and capable individuals operate tourism service companies.

**b) Financial and Operational Requirements**

Tour operators must often fulfill:

- Minimum capital requirements
  - Maintenance of security deposits or bank guarantees
  - Compliance with accounting, transparency, and reporting norms
- These provisions protect tourists from fraud and ensure financial stability of operators.

**c) Consumer Protection and Liability**

Tourism businesses are legally responsible for:

- Providing accurate information about packages
  - Ensuring delivery of promised services
  - Offering compensation for deficiencies or negligence
- Consumer protection laws prevent unfair trade practices, misleading advertisements, and overpricing.

**d) Safety and Insurance Regulations**

Travel operators must ensure:

- Tourist safety during transportation, adventure activities, and tours
- Travel insurance coverage
- Emergency assistance and crisis management

**e) Environmental and Cultural Protection**

Regulations ensure tourism does not harm natural or cultural resources. Ecotourism policies promote responsible travel practices.

**3. REGULATIONS GOVERNING TOURISM ORGANIZATIONS**

Tourism organizations—both governmental and non-governmental—play a critical role in planning, promoting, and monitoring tourism development. Laws governing these organizations aim to bring professional accountability and structured development.

**Government Tourism Bodies**

Examples include:

- Ministry of Tourism
- State Tourism Departments
- Tourism Development Corporations (e.g., ITDC, TTDC)

**Regulatory Functions**



**a) Policy Formulation**

Tourism laws empower organizations to:

- Create national tourism policies
- Develop sustainable tourism models
- Implement guidelines for adventure tourism, heritage tourism, and eco-tourism

**b) Classification and Accreditation**

They regulate:

- Hotel classification systems (Star ratings)
- Approval of travel agencies, tour operators, and guides
- Quality assurance through national/international standards

**c) Infrastructure Development**

Tourism bodies are responsible for:

- Planning tourist circuits
- Developing infrastructure (roads, transport, accommodation, amenities)
- Encouraging investment through incentives and subsidies

**d) Regulation of Tourism Activities**

Government agencies ensure:

- Compliance with safety guidelines
- Regulation of monuments, protected sites, beaches, and wildlife areas
- Monitoring of tourism businesses for ethical practices

**e) Coordination and Promotion**

Tourism organizations work with airlines, hotels, transport companies, and private operators to promote tourism and maintain regulatory harmony.

**4. LAWS GOVERNING THE HOTEL INDUSTRY**

Hotels are governed by numerous legal provisions surrounding safety, licensing, health standards, guest rights, and employment. These laws ensure the smooth management of hotels and protection of customer interests.

**Key Laws Affecting Hotel Operations****a) Licensing Laws****b)**

Hotels must obtain various licenses such as:

- Trade license
- Lodging house license
- Liquor license
- Food and beverage license

- Fire safety clearance
- Pollution control clearance
- Music and entertainment license

These licenses ensure that hotels maintain operational and safety standards.

### **b) Public Health and Safety Laws**

Hotels must comply with:

- Sanitation standards
  - Food safety regulations (FSSAI in India)
  - Waste management rules
  - Health and hygiene requirements for staff
- These laws protect guests from health hazards.

### **c) Employment and Labour Laws**

Hotels operate with large staff and must follow:

- Minimum Wages Act
  - Employee Provident Fund (EPF) regulations
  - Industrial Disputes Act
  - Working hours, overtime, leave, and gratuity provisions
- These regulations ensure fair treatment of hotel employees.

### **d) Consumer Protection Laws**

Hotels must:

- Avoid unfair pricing
  - Maintain transparency in billing
  - Provide promised amenities
- Consumer protection legislation safeguards guests from exploitation.

### **e) Accommodation and Guest Safety Laws**

Hotel owners are legally responsible for:

- Guest security
- Protection of guest belongings
- Prevention of unlawful activities
- Maintenance of CCTV and visitor records

### **f) Contracts and Liability**

Hotels operate on implied contracts with guests. Breach of contract, negligence, or deficiency of service can lead to legal consequences.

## **5. LAW REQUIREMENTS IN HOTEL BUSINESS**

Hotel businesses must fulfill several legal requirements before and during operations.

### **a) Establishment Requirements**

Before opening, hotels require:

- Building permits
- Property tax registration
- Fire department NOC
- Environmental clearance (if required)
- Star classification approval (if seeking rating)

### **b) Operational Requirements**

During operation, hotels must comply with:

- Licence renewals
- Health and food inspections
- Fire safety audits
- Staff training and certification
- Record maintenance (guest register, financial records)

### **c) Safety and Security Regulations**

Hotels must ensure:

- Fire alarms, extinguishers, and emergency exits
- Night security staff
- Regular equipment checks
- Adherence to safety norms for swimming pools, gyms, and elevators

### **d) Financial and Tax Compliance**

Hotels must follow:

- GST rules
- Income tax norms
- Accurate accounting and invoices

### **e) Data and Privacy Protection**

Hotels handle guests' personal data (IDs, addresses, payment details). Laws mandate:

- Secure data handling
- Restricted access
- Protection against data theft

## 6. LAWS RELATING TO PLANNING AND DESIGNING

Planning and designing of hotels and tourism facilities are governed by building and environmental regulations. These laws ensure safety, sustainability, accessibility, and compliance with local planning norms.

### a) Building and Zoning Laws

These include:

- Land-use permissions
- Height restrictions
- Floor area ratio (FAR) limits
- Setback requirements
- Zoning regulations for commercial establishments

These laws prevent overcrowding and ensure proper urban planning.

### b) Fire and Safety Norms

Building design must include:

- Fire-resistant materials
  - Emergency exits
  - Sprinkler systems
  - Evacuation routes
- Fire clearance certificates are mandatory.

### c) Environmental Regulations

Hotels must comply with:

- Environmental Impact Assessment (EIA)
- Coastal Regulation Zone (CRZ) rules for beach hotels
- Waste management rules
- Energy and water conservation guidelines

### d) Accessibility Laws

Modern tourism laws insist on:

- Wheelchair access
- Accessible rooms
- Ramps, elevators, and signage for disabled guests

### e) Structural and Architectural Standards

Hotels must follow:

- National Building Code
- Earthquake-resistant construction standards
- Proper ventilation, lighting, and sanitation norms

These laws ensure safety, comfort, and universal access.

**CONCLUSION**

Hotel and tourism laws create a structured and legally compliant environment for tourism development. From licensing travel businesses to regulating hotel operations and ensuring safe building design, these laws uphold standards, protect tourist rights, and maintain industry credibility. Understanding these regulations is essential for anyone pursuing a career in hospitality or tourism management.

## LESSON-2

# THE GUEST AND THE HOTEL

### OBJECTIVES:

- To study the various obligations of hoteliers towards customers in India
- To comprehend the significance of contract law in the tourism and hotel industries

### THE GUEST AND THE HOTEL

#### 1. OBLIGATIONS OF A HOTELIER

A hotelier occupies a unique position in the hospitality industry, functioning not only as a service provider but also as a custodian of the guest's safety, comfort, and property. The obligations of a hotelier arise from statutory laws, contractual duties, customary practices of the trade, and ethical considerations. These obligations begin the moment a guest is accepted and continue until the termination of the stay.

Firstly, the hotelier is obligated to provide **safe, clean, and hygienic accommodation**. This includes ensuring that the premises are well-maintained, rooms are sanitized, utilities are functioning, and the environment meets basic health standards. The safety obligation extends to preventive measures such as proper lighting, fire safety equipment, emergency exits, and trained staff to handle crises.

Secondly, the hotelier must ensure **reasonable security of the guest's person and property**. Legally, a hotelier is considered a "bailee" of the guest's belongings, meaning they are responsible for safeguarding luggage, valuables, and items deposited in the hotel custody. This obligation also includes protection against theft, negligence of staff, and foreseeable dangers. Another major obligation is the provision of **promised services**. Once a hotel advertises or confirms certain facilities—such as room amenities, Wi-Fi, housekeeping, or restaurant services—it is bound to provide the same. Failure to do so may result in liability under contract law or consumer protection norms.

Additionally, the hotelier is obligated to provide **non-discriminatory service**. Public accommodation laws require hotels to serve guests fairly without discrimination on the basis of caste, religion, gender, nationality, or disability, except under legally valid circumstances. Finally, the hotelier has a duty to maintain **guest privacy and confidentiality**. Any disclosure of guest information must be avoided unless mandated by law enforcement or required for security reasons.

#### 2. LIABILITY OF A HOTELIER

The liability of a hotelier arises from multiple legal principles including bailment, negligence, statutory duties, and contractual obligations. Hotel liability primarily concerns the **loss, theft, or damage of guest property, and injuries sustained during the stay**.

Under the law of bailment, once a guest hands over property to the hotel—or keeps luggage in a room allocated for their exclusive use—the hotel becomes responsible for its safety. The hotelier may be held strictly liable if the loss results from negligence of staff or lack of adequate security measures.

Another major aspect is **liability for personal injury**. If a guest is injured due to unsafe premises—like slippery floors, malfunctioning elevators, poor lighting, or unsafe furniture—the hotelier may be held liable under the principle of negligence. The liability increases if the hotel fails to provide adequate warnings or fails to take reasonable precautions.

Modern hotel laws also impose **liability under consumer protection**, where misleading advertisements, deficiency in service, or unfair trade practices can result in penalties or compensation claims.

However, a hotelier's liability is not absolute. If the loss is caused by **guest negligence, acts of nature, or unforeseeable incidents**, the hotelier may not be held responsible. Many hotels place notices limiting liability, but such notices cannot override statutory protections given to guests.

### 3. RIGHTS OF A HOTELIER

In addition to obligations, a hotelier enjoys several rights essential for maintaining order, ensuring security, and managing commercial operations.

One important right is the **right to admission and refusal**. While hotels must not discriminate unlawfully, they may refuse service to persons who pose a risk to property, disturb other guests, or fail to comply with hotel policies.

The hotelier also has the **right to define rules and regulations** for the establishment—such as check-in policies, payment rules, smoking restrictions, and use of facilities. Guests are expected to abide by these rules once they accept accommodation.

Another critical right is the **right to claim payment** for services rendered. The hotelier can demand advance payment, impose charges for damages, and take legal action for unpaid bills. Under lien rights, a hotelier may retain guest baggage until settlement of dues.

Hotels also have the **right to evict guests** in certain cases such as disorderly behaviour, non-payment, illegal acts, or violations of hotel policies. This eviction must be reasonable and not arbitrary.

Finally, a hotelier has the right to **protect the premises** by enforcing safety measures, monitoring through CCTV, and reporting suspicious activities to authorities.

### 4. LAW OF CONTRACT

The Law of Contract forms the foundation of most hotel-guest relationships. A contract is a legally enforceable agreement between two or more parties. In the hospitality sector, the contract between the guest and the hotel may be express (written or verbal) or implied (understood through conduct).

A valid contract requires:

1. **Offer and acceptance** – The guest makes a request for accommodation, and the hotel accepts it.
2. **Consideration** – Payment for services such as room rent, food, or amenities.
3. **Competency of parties** – Both hotel and guest must be legally capable of entering a contract.
4. **Lawful object** – The purpose of the stay and services must be lawful.
5. **Free consent** – The contract must not involve coercion, fraud, or misrepresentation.

Hotels use the principles of contract law in reservations, service agreements, event bookings, tour packages, and banquet arrangements. Breach of any of these conditions by either party can lead to legal consequences.

## 5. CONTRACTUAL RELATIONSHIP BETWEEN GUEST AND HOTEL

The contractual relationship begins at the moment the hotel accepts a guest's reservation or allows them to check in. Unlike many other service industries, this contract is partly **implied** due to the nature of the business.

The relationship includes the following elements:

- The hotel must provide safe, comfortable accommodation as promised.
- The guest must pay the agreed charges for the services received.
- The relationship creates bailment obligations on the hotel regarding guest property.
- The contract also involves the duty to follow statutory regulations concerning safety, hygiene, and privacy.

A contractual relationship continues until the guest checks out and settles all dues. Even after checkout, certain obligations (such as returning lost-and-found property) may remain.

## 6. DUTIES AND OBLIGATIONS OF A HOTEL

The duties of a hotel are broader than the obligations of the hotelier, as they extend to the institution as a whole and involve the roles of all departments.

Key duties include:

### 1. Providing Accommodation and Services:

Hotels must provide the category of service advertised—room facilities, housekeeping, F&B services, recreational amenities, etc.

### 2. Ensuring Health, Hygiene, and Safety:

Hotels must comply with health regulations, maintain cleanliness, ensure food safety, conduct pest management, and follow fire-safety norms.

### 3. Maintaining Security:

Trained security staff, surveillance systems, controlled access, and emergency protocols are essential duties.



#### 4. **Training and Managing Staff:**

Proper staff behaviour, professional ethics, and skill training are essential to meet service standards.

#### 5. **Handling Guest Complaints:**

Hotels must address grievances in a timely and professional manner and provide remedies where necessary.

#### 6. **Record Keeping and Legal Compliance:**

Hotels must maintain guest registers, revenue records, taxation documents, and meet regulatory requirements including licensing.

These duties ensure the smooth functioning of the hotel and protect the interests of both guests and the establishment.

#### 7. **Breach of Contract**

A breach of contract occurs when either the hotel or the guest fails to fulfil contractual obligations. It may be **actual breach** (non-performance) or **anticipatory breach** (intention not to perform).

Examples of breach by the hotel:

- Failure to provide a reserved room or promised facilities
- Negligence leading to injury or property loss
- Overcharging or denying services unfairly
- Misrepresentation in advertisements

Examples of breach by the guest:

- Non-payment of bills
- Damaging hotel property
- Engaging in illegal or disruptive behaviour
- Violating hotel policies after agreeing to them

The remedies for breach include compensation, refund, termination of stay, or legal action depending on the severity. Under consumer protection law, the guest may seek compensation for deficiency of service, while the hotel may impose penalties or pursue claims for damages.

## **LESSON-3**

### **LAWS RELATING TO REGISTRATION AND APPROVAL OF HOTEL**

#### **OBJECTIVES:**

- To learn about the laws related to the registration and approval of hotels
- To gain knowledge on the various liquor licensing laws applicable to the Tourism & Hospitality in India.

Hotels, restaurants, lodging houses, bars etc. have to obtain certain licences from the local authorities of their respective areas.

#### **Registration made under Shops & Establishment Act**

An application has to be made on Form C of the Shop & Establishment Act along with the necessary fees to be deposited in prescribed manner under the Act. The Chief Inspector (Shops & Establishment) is the issuing authority for this licence.

#### **REGISTRATION MADE UNDER FACTORIES ACT**

Kitchen, bakeries, laundries, if there are employed 10 persons or more with power and 20 persons without power, has to be registered under the Factories Act. The Chief Inspector of Factories is authorized to issue the registration certificate.

#### **LICENCES TO BE ISSUED BY THE MUNICIPAL AUTHORITIES**

**(a) Lodging House:** The application for obtaining a licence for lodging house is to be made on the prescribed form giving particulars pertaining to name of establishment, location of the premises, name of proprietor/partners, father's name, caste, residential address, name of the keeper, whether owner/tenant, number of stories, year of grant of original licence, last year's licence number, electric power load, number of beds to be licensed, details of room, size of rooms, number of workers etc. before the local Medical Authority. After examining the detailed particulars given by the applicant and after being satisfied with regard to property fulfilling various conditions as laid down in the Municipal bye-laws framed by the local municipal authorities, the licensing authority will issue a demand notice asking the management to pay the amount of licence fee prescribed under the bye-laws. After the payment is made the local authorities will issue the necessary licence for the lodging house.

**(b) Eating House:** For obtaining a licence for Eating House, an application has to be made separately for each eating house indicating the name and address of the licensee, list of articles sold in his eating house etc. in the prescribed form to the local municipal health authorities.

(1) The certificate is to be issued in the name of the officer who has been nominated by the management i.e. the Competent Authority, to be responsible for the implementation of the provisions in prevention of Food Adulteration Act. The nomination has to be duly signed by the concerned officer and accepted by the controlling authority of the F.A. Act.

(2) Certificate or true copy or a photocopy of the certificate to be issued by the municipal health department (food handlers' unit), certifying that the staff engaged in food handling has been inoculated, medically examined, and is fit to serve along with a copy of the last year's licence. On receipt of this application the municipal authorities concerned will examine the application and after being satisfied will issue a demand notice for the payment of fees as prescribed in the Municipal By-laws. After the fees has been deposited the municipal authorities, concerned officer will issue a certificate licence in this regard.

(c) **Bars:** For operating the bars, licences have to be obtained from the excise department on application and payment of appropriate fees. The licences generally obtained are as under: For obtaining bar licences, the application has to be made to the Excise Commissioner indicating the category of licence, name and description of the bar attached with restaurant/dining hall. For obtaining the original licence, the application has to be accompanied by a site plan of the restaurant and the bar also mentioning the number of covers served. For obtaining a licence under L-20, the application has to be accompanied with the documents i.e. list of foreign participants in the party and a request letter from the host party. The application has to be made at least one week in advance according to the latest notification. The Excise Commissioner will issue the licence on receipt of the prescribed licence fees.

### **Licences pertaining to alcoholic beverages**

- L-1 Wholesale or retail vend of foreign liquor (or the trade only).
- L-3 Retail vend of foreign liquor for a dak bungalow or a restaurant.
- L-4 Retail vend of foreign liquor in a restaurant.
- L-5 Retail vend of foreign liquor in a bar attached to a restaurant.
- L-10 Retail vend of beer 'on' and 'off' the contract premises.
- L-13 Wholesale vend of country spirit.
- L-14 Retail vend of country spirit for consumption 'on' and 'off' the contract premises.
- L-20 Obtaining a licence for private parties.

### **LICENCE TO BE OBTAINED FROM THE POLICE AUTHORITY UNDER THE STATE POLICE ACT**

After obtaining a licence from the municipal authorities, the hotels, lodging houses, & barshas also to be registered with the local police as prescribed in the Sarai Act. For obtaining the original licence for the first time, the application has to be made on the prescribed form together with a copy of the certificate of registration under the Shop & Establishment Act, site plan and the location of the hotel/lodging house. Along with this application, a copy of the licence issued by the municipal authorities is also to be attached. The Deputy Commissioner of Police (Licensing) is authorised to issue this licence. For renewal, the site plan and other formalities are to be complied with. The application should also indicate the details of the place where liquor is being served along with copies of the licence obtaining from the excise department. On receipt of this and after being satisfied the licencing authority will issue a fresh licence or renew the licence already issued after necessary fee, as demanded by the police authorities, has been deposited with them.

**Swimming Pool:** Swimming pools have to be registered with the police. A site plan along with a certificate of fitness is to be issued by the municipal health authorities. It will be necessary for this purpose to have the water tested and ensure that swimming pool has been

constructed according to the municipal bye-laws. On the swimming pool necessary arrangements should be made for exhibiting the conditions for the swimmers and the patrons which must clearly indicate the procedures for use of the swimming pool, and it should be displayed at a conspicuous place.

### **FIRE PREVENTION AND FIRE SAFETY ACT, 1986**

All hotels are required to obtain '**No Objection**' certificate from the Fire Services before applying for renewal of licences from the municipal authorities and the police. The issuing authority for this licence is the Chief Fire Officer, Fire Service.

### **Prevention of Food Adulteration (Amendment) Act 1976, rule 12B of the PFA - (First Amendment) Rules, 1977**

One officer of the unit is made responsible for the purpose of Prevention of Food Adulteration Act with the authority to exercise all powers and take all such steps as are necessary or expedient to prevent the commission by the hotel of any offence under the said Act and rules as amended from time to time. The Director, PFA of the concerned State Administrative Department of Health is entrusted with this responsibility.

The nomination of the officer is made in Form VIII duly signed by the Secretary of the Corporation to the concerned authorities which is accepted in pursuance of the Sub-section (2) of Section 17 of the Prevention of Food Adulteration Act, 1954 and Rule 12(B) of the rules made thereunder.

If any offence under the said Act or the rules takes place, in any of the units, the person who has been nominated against their unit shall be responsible on behalf of the Corporation for that offence and shall be liable for such penalty or penalties as may be imposed for the commission of the offence.

### **Other Miscellaneous Licences:-** other to be obtained from various authorities,

LIFTS Elevators Rules 1942 section 5 and 6 and rules 4 and 5 – Inspector of Lifts, State Administration (Office of Electrical Inspector) who, after inspecting the lift, will issue a challan and the requisite fees will have to be deposited with the Treasury and a licence will be issued in Form C. This licence needs to be renewed every year and shall be displayed in the elevator.

**(a) Generating Sets:** For operating the generating set, the application is to be made to the municipal authorities to issue the licence.

**(b) Boilers:** A licence will be issued by the municipal authorities under the Factories Act by the Chief Inspector, Boiler and Smokes, State Administration.

**(c) Cold Storage:** A licence will be issued by the Deputy Senior Marketing Development Officer of the Directorate of Marketing and Inspection, Ministry of Rural Development.

**(d) Registration of Foreigners:** Under the Police Act, all foreigners staying in the hotel will have to be registered within 24 hours with the FRRO, Police H.Q. Particulars to be provided as prescribed in Form C.

**(e) Employees' State Insurance:** Where employees are covered under the Factories Act, such employees will be covered by the ESI. Necessary registration will be done by the ESI Commissioner.

**(f) Employees' Provident Fund:** After meeting the conditions as laid down under the Act, the establishment has to be registered with the EPF authorities. In the case of a new unit, the relief is given for certain number of years. In other establishments all employees, on completion of 60 days service, are eligible to be enrolled as member of the Provident Fund Scheme. The P.F. Commissioner is the registering authority.

**(g) Insurance:** Generally, the following insurances are to be taken by hotels:

- Insurance against fire, floods, earthquakes, civil riots, malicious risk, etc.
- Insurance against cash in safe, burglary and house-breaking.
- Insurance against third party risk.

**(h) Foreign Exchange Licence:** Department of Economic Affairs, Ministry of Finance, Government of India had issued a notification dated 20-8-1981 which reads as follows:

"In exercise of the powers conferred by Sub-section 1 of Section 15 of the Foreign Exchange Regulation Act 1973 (46 of 1973) the Central Government hereby directs every foreign national who is on visit to India shall make payments to the Hotel where he stays in any of the currencies mentioned in the schedule hereunder for the charge of liability by way of lodging, boarding and service charges."

For the purpose of accepting foreign currency, hotels are required to obtain licence from the Exchange Control Department of the Reserve Bank of India. The licence is restricted only to accept foreign currency and does not entitle the hotel to sell foreign currency.

**(i) Weights and Measures:** Once in a year, all weighing scales/machines, measuring jars etc. are required to be calibrated and stamped by the authorised agency. Inspector, Weights & Measures Department of the concerned State Administration is entrusted with this responsibility.

**A residential licence** may be granted only for premises used, or intended to be used, for the purpose of habitually providing (for reward) board and lodging, including breakfast and at least one of the other customary main meals. This could apply to boarding house if it provided bed, breakfast and either lunch or an evening meal. Many private hotels easily fulfil this qualification.

If a meal is supplied at the premises for consumption elsewhere, then off sale of liquor for consumption with such a meal can be made, but no other off sales are permitted by this licence. Water and other suitable non-intoxicating beverages must be available to the customers.

A residential licence will authorize the sale or supply of alcoholic beverages on the premises to people residing there, or to their private friends, who are genuinely entertained by such guests at their own expense.

Under this restaurant licence, the drinks can be sold or supplied at any time, because there are no licensing hours. An abuse of such a licence would lead to its removal. It is normal for the

competent authority, when giving this type of licence, to make it a condition that there is at least one other room in which drinking is not allowed, and which can be used by children and those persons not wishing to drink alcohol.

Combined Licence or Restaurant and Residential Licence is a combination of the two. This is granted for premises which fulfil the conditions required for both the restaurant licence and the residential licence, for example, a private hotel with a public dining room attached. Residents can enjoy the provision of intoxicants in their own bar, whilst the public can visit the premises for a meal in the dining room, at which intoxicants can be served. When granting a combined licence, the licencing authorities may impose a condition that the drinks are supplied to the public in the dining room outside the normal permitted hours for the locality. The restriction would not, of course, apply to the residents.

The other conditions applying to the restaurant and residential licences also apply to the combined licence, i.e. other beverages must be available, there must be a sitting room for non-drinkers, and the meals must be table meals.

Thus, a combined Residential and Restaurant Licence will be granted if both sets of requirements are met. The following conditions must also be satisfied:

- i. That in the case of premises in which it is proposed a residential licence or a residential and restaurant licence is issued, a room with adequate seating accommodation for residential customer is provided, and this room must not be used for sleeping accommodation, service of food or for the consumption of intoxicating liquor. If the authorities think there is good reason to do so, they may dispense with this requirement.
- ii. That the applicant for the licence is fit and proper person to hold it.
- iii. That in the twelve months before the application for the licence, a Liquor licence or a Refreshment licence has not been lost, or the premises will not be ill conducted while operating under a Liquor licence.
- iv. That the meals supplied under a Restaurant licence are suitable meals with which to consume intoxicating liquor as an accompaniment.
- v. That the customers do not help themselves to intoxicating liquor on or before payment for it (self service). The authorities may allow self-service, but it can be reason for refusing licence.
- vi. That a large portion of the non-resident customers are not under 18, unaccompanied by an adult.

When refusing an application for these Residential and Restaurant Licences, the authorities must inform the unsuccessful applicant of the ground of refusal.

If an application is made for an on Licence under the Excise laws, at the request of the applicant, the authorities may treat it as an application for a Restaurant Licence, a Residential Licence or a Combined Restaurant and Residential Licence.

**The licencing authorities can revoke or refuse to grant these full or restricted licences for the following reasons:**

- If the licensee or the applicant is not considered a fit and proper person.
- If they feel that the premises are not used or intended to be used for the purpose stipulated in the licence.
- If the premises are unsuitable due to the risk of fire.
- If the customary main meals are not being habitually served.
- If the premises are being used mainly by unaccompanied persons who are under eighteen years of age.

The rules and regulations concerning licensing will only be touched on in this section; they form in themselves a considerable volume of law. The licensing rules brought together the liquor licensing legislation. Licences normally take either of two forms: a full on-licence or an off-licence. A full on-licence enables the licensee to sell liquor for consumption either on or off-licence. A full on-licence enables the licensee to sell liquor for consumption either on or off the premises to any member of the public who is permitted by the law to consume it. An off-licence permits the sale of liquor for consumption off the premises. A hotel may apply for a full on-licence; on the other hand, small establishments may merely have a restaurant licence or a residential licence. Where the licensing authorities grant a restaurant licence they must attach two conditions:

- (a) The restaurant must be able to serve both water and soft drinks as well as alcohol, and
- (b) Alcohol can only be served to persons taking table meals.

A residential licence authorises the sale of liquor to residents of a hotel. Two conditions are attached to the grant of a residential licence:

- (a) Other beverages (including water) must be available with meals; and
- (b) Adequate seating must be provided in a room at the hotel which is not used as sleeping accommodation or for the service of food, and in which there is neither supply nor consumption of intoxicating liquor.

It is possible to combine a residential licence with a restaurant licence.

Licences are available to hoteliers and caterers to enable them to sell intoxicating liquor. Some requirements have to be met before such licences are granted and the law related to these licences are discussed in general. The hoteliers and caterers are advised to obtain professional advice and consult the local municipal authorities before obtaining or operating under a licence.

## **LICENSING AUTHORITY**

The licence for sale of liquor falls strictly under the jurisdiction of the state or local authority. As per the state policy, the local authority is empowered to enact rules and regulations for strict observance of the provisions of the excise law and make decisions on the following matters:

- Application for licences, including provisional grants.
- Permanent transfer.
- Applications for regular extensions of permitted hours.
- Decisions concerning strict hours.

- Suspension of a licence.
- A closure order.

### Type of Licences

Depending upon the establishment and the requirements, application may be made for a liquor licence. The excise authority may grant the following licences:

- Public House: Consumption on or off the premises.
- Off sale: Consumption off the premises only.
- Hotel: Consumption on or off the premises.
- Restricted Hotel: To residents and their bona fides entertained by them, and to non-residents as an ancillary to table meals taken on the premises. The premises must be structurally adapted and bonafide used for lunch or dinner or both and not have a bar counter.
- Restaurant: With meals either at bar or at table.
- Refreshment: For consumption on the premises, when food and non-alcoholic beverages are also on sale: no bar counter.
- Entertainment: As an ancillary to public entertainment at a cinema, theatre, dance hall or proprietary club, subject to conditions determined by the licensing authority.

Licences are granted for the premises in whole or in part. Any alteration proposed must be agreed by the local authorities. The premises must be fit to meet the requirements of the local authority, police and fire authority. Proper and good order must be mentioned:

- **No drunkenness.**
- **No violence.**
- **No riotous conduct.**
- **No prostitutes.**
- **No gaming (authorities may authorise certain games).**

Licences are held for particular premises by a licensee, but may also be held jointly or by two people. Application can be made for any or more of the following licences.

### On Licence

This licence is issued for sale of all or some classes of liquors for consumption either on or off the premises. These classes are:

- Beer, cider or wine.
- Beer and cider.
- Cider.
- Wine.

### Off licence

When applying for an on-licence, if it can be shown that part of the premises, for which a licence is being sought, is separated from the premises where liquor is sold for consumption and there is no internal communication from one part to the other, the authorities may allow off-licence in the part of the premises so separated, for the same permitted hours as are allowed for premises operating under a separate off-licence.



**If a licence-holder of an on-licence applies to the authorities, they must make this licence:**

- (a) A six-day licence, that is, he will have no permitted hours on Sunday, and/or
- (b) An early closing licence, that is the permitted hours will finish one hour earlier every evening than the general permitted hours for the state.

**The holder of on-licence is allowed:**

- To sell intoxicating liquor at all times for on or off consumption to residents of the licensed premises.
- To sell liquor at all times to a resident for consumption on the premises by the resident's private friends while he is entertaining them.
- To give intoxicating liquor outside the permitted hours for consumption on the premises to the employee of the establishment; this liquor must be paid for by the holder of the licence or the person in control of the business.
- To give without charge intoxicating liquor outside the permitted hours to his private friends whilst entertaining them. This can be done both by the licensee and anyone in control of the business. Neither has to be a resident in the premises to do this.
- To sell intoxicating liquor to the public during permitted hours for on or off consumption.

**The licence is obtained for sale or consumption off the premises:**

- (1) Intoxicating liquor of all descriptions, and
- (2) Beer, cider or wine.

### **Restaurant Licence**

This can be granted for premises which are structurally built or adapted and are used in a bona fide way or intended to be used for the habitual provisions of the main midday and/or the main evening meal. The licence will authorise sale or supply of intoxicants on the premises to people who take table meals there, but such liquor must be as an ancillary to the meal. In other words, customers must not frequent such establishments merely to drink.

For this purpose, the meal must be a table meal. This means it must be eaten by a person seated at a table or a counter, or at some other structure which serves the purpose of a table. Another aspect is that drinks other than intoxicants must be available to the diners, should they require them.

There is no provision that the drink must be taken at the table. A diner can buy a drink before or after a meal, even in another room, but it must be ancillary to that meal.

In other words, this licence is issued for sale only to persons taking substantial meals, on the premises.

If only the midday meal is offered, the licence will be limited to selling intoxicating liquor during the first period of the permitted hours, and if only for the evening meal, to the second of the permitted periods. The licence permits the sale of intoxicating liquor only as an accompaniment to a table meal.

## Bar and Liquor Licensing Laws

Licensing laws and regulations are very complex and readers are advised that full details may be found in respective laws as enacted by the states.

- **On-Licence:** For the sale of all classes of liquor for consumption on or off the premises.
- **Off-Licence:** For the sale of liquor for consumption off the premises only.
- **Restaurant Licence:** For the sale of liquor to persons taking substantial meals on the premises.
- **Residential Licence:** For the sale of liquor to residents and their private friends.
- **Residential and Restaurant Licence:** A combination of the Restaurant -and Residential Licences.

**Supper hours certificate:** The effect of this is to allow liquor to be provided for a further hour in the evening in a part of the premises set aside for people taking table meals provided it is consumed as part of the meal.

**Special Hour Certificate:** Where music and dancing are provided as well as substantial refreshment, a special hours certificate may be granted permitting the sale of liquor as an ancillary meal. The premises must be in area subject to statutory regulations and the facilities must be provided on every weekday or on particular weekdays in every week, and the certificate applies only when they are provided. A notice, signed by the applicant or his agent, must be sent to the police and the licensing authority before applying for a certificate. The authority may grant the certificate if the conditions have been met and, after the grant, fourteen days' notice to bring it into effect or to discontinue it must be given to the police. The certificate has the effect of making the evening permitted hours. The certificate may, and usually does, apply to part of the premises only. A notice that a certificate is in force must be exhibited. A certificate may be granted for part of the year. There is a provision for revocation if conditions are not complied with or if disorderly conduct takes place.

**Permitted hours:** It is a criminal offence for any person to sell or supply intoxicating liquor, on licensed premises except during permitted hours. Weekdays (excluding Christmas day and Good Friday) - 11 a.m. to 3 p.m. & 5.30 p.m. to 11 p.m. Sundays, Christmas day, Good Friday - Noon to 2 p.m. & 7 p.m. to 10.30 p.m.

### Dry days:

Dry days in India are specific dates when the sale of alcohol is prohibited, usually declared by state governments and coinciding with national holidays, religious festivals, or election days. Common National dry days include Republic Day (January 26), Independence Day (August 15), and Gandhi Jayanti (October 2). State and local governments also enforce their own additional dry days based on regional observances, and the Excise Department may add or extend them as needed, especially during elections.

### Common dry days across India

- Republic Day: January 26
- Independence Day: August 15
- Gandhi Jayanti: October 2
- Voting and result days: Days of Lok Sabha and Vidhan Sabha elections are observed as dry days to maintain public order.

### Examples of state and religious dry days

- Diwali: Some states declare Diwali a dry day.
- Guru Nanak Jayanti: Observed as a dry day in many states, including Punjab.
- Janmashtami: Some states, like Maharashtra, observe this day as a dry day.
- Ganesh Chaturthi: Certain states, like Maharashtra, may have dry days on the first day and other days of the festival due to public gatherings.
- Eid-e-Milad: Observed as a dry day in many parts of the country.
- Christmas: December 25 is a dry day in many states.

**Drinking-up time:** After the end of the hours during which sales are permitted, ten minutes is allowed for drinking up liquor already purchased. The drinking-up time is half-an-hour for people taking meals if the liquor was supplied ancillary to meals.

- Permitted hours for sale of alcoholic drinks are fixed by the local licensing authorities for each district at their annual general meeting.
- Extension to permitted hours may be granted by the licensing authorities, but in each case certain prerequisite conditions must be fulfilled.

Minors (persons under the age of 18 years). It is an offence knowingly to sell, or allow to be sold, alcoholic drinks to a minor. It is also an offence for anyone to purchase an alcoholic drink for consumption by a minor. Children under the age of 14 are not allowed in bars during permitted hours.

	Age under		
	14	16	18
Purchase in a bar	No	No	No
Drink in a bar	No	No	No
Enter a bar	No	Yes	Yes
Work in a bar	No	No	No
Buy in a restaurant	No	No	Yes <sup>1</sup>
Consume in a restaurant	Yes <sup>2</sup>	Yes <sup>2</sup>	Yes <sup>2</sup>

<sup>1</sup>Only beer, cider, or perry.

<sup>2</sup>As long as the alcoholic beverage is bought by a person over 18.

### The Conduct of Licensed Premises

There are many requirements to be met in order to conduct licensed premises within the scope of the law:

- **Selling liquor without a licence:** No licensee may sell liquor without a licence. To do so is a criminal offence.
- **The sale of liquor on credit:** It is a criminal offence to sell liquor on credit. However, residents at a hotel may be sold liquor during their residence, payment to be made at the end of their stay.
- **The sale of liquor to persons under 18:** A licensee of licensed premises is not permitted knowingly to sell liquor to a person under 18, to allow a person under 18 to consume liquor in a bar, or to allow anyone else to make such a sale. A person who is under 18 is not permitted to buy liquor for consumption in a bar in licensed premises for a person under 18.
- **Drunkenness and disorderly behaviour:** It is an offence to permit drunkenness on licensed premises. Where the licensee holds a residential or restaurant licence it can lead to disqualification of the licensee.

**Bars establishment rules and regulations**

- **Statutory Distance Requirements:** In India, laws often require that bars and liquor shops maintain a minimum distance (frequently 100 meters, or in some cases 500 meters for highways) from places of worship and educational institutions.
- **Health and Safety Standards:** Maintain rigorous hygiene, clean preparation areas, proper food storage, and fire safety measures, including emergency exits. Regular inspections are often part of this.
- **Public Sentiment and Protests:** Despite the laws, local communities sometimes protest the presence of bars near religious sites due to concerns about public order and disruption of rituals.

## LESSON-4

# FOOD AND BEVERAGE LAWS

### OBJECTIVES:

- To know the significance of the Prevention of Food Adulteration Act, 1954 in India
- To learn the general guidelines for food and beverage establishments under Hospitality in India

**Learning Outcome:** Aware of the guidelines and laws regarding food & beverage hygiene, adulteration & Prevention.

### 1. Prevention of Food Adulteration Act, 1954 (The "No Cheating" Law for Food)

- **What is it in Baby Terms?** This law makes it illegal to mix bad, harmful, or cheap things into food to make more money. It's the government's way of saying, "Don't poison your customers for profit."
- **What is Adulteration?**
  - **Adding a harmful substance:** Adding industrial dye to make chutney look greener.
  - **Using an inferior substance:** Using horse gram instead of chana dal in dal preparations.
  - **Mixing a foreign substance:** Mixing sand or stones into rice or pulses to increase weight.
  - **Hiding poor quality:** Adding chemicals to stale meat to make it look fresh.
- **What does the law do?** It sets **purity standards** for various food items. Food inspectors can take samples from any kitchen or restaurant to test if they meet these standards.
- **Punishment:** Can lead to imprisonment and a heavy fine.

### 2. Duties of Persons Handling Food and Beverage and Personal Hygiene (The "Cleanliness Bible" for Staff)

- **What is it in Baby Terms?** A step-by-step guide for every chef, waiter, and kitchen helper on how to stay clean and not spread germs.
- **Detailed List of Duties:**

**Hand Washing (The Golden Rule):** Must be done frequently, especially:

- After using the toilet.
- After handling raw meat, fish, or eggs.
- After touching garbage.
- After sneezing, coughing, or touching hair/face.
- **Personal Health:** Staff with any of the following must report to their manager and should NOT handle food:
  - Diarrhea, vomiting, or fever.
  - Bad cold or sore throat.
  - Skin infections (boils, cuts that are not covered with a waterproof bandage).
  - Jaundice.
- **Personal Habits (The "DON'Ts"):**

- **No smoking** in food areas.
- **No spitting.**
- **No tasting food** with fingers or directly from a cooking spoon (use a separate spoon each time).

**No wearing of jewelry** (rings, bracelets) which can harbor germs.

**Uniform and Grooming:**

- **Clean uniform** every day.
- **Hair must be covered** completely with a cap or chef's hat.
- **Nails** must be short and clean.

**3. General guidelines for Food & Beverage Establishment (Rules for the Entire Kitchen & Restaurant)**

- **What is it in Baby Terms?** The overall rules for the "playing field" where food is prepared and served.
  - **Detailed Guidelines:**
    - **Food Storage (Fight Cross-Contamination):**
      - **Separate Raw and Cooked:** Raw meat/fish must be stored on the bottom shelf of the fridge, so its juices don't drip onto cooked food or vegetables below.
      - **Proper Labeling:** All stored food must be labeled with the "Use By" date.
      - **FIFO (First-In, First-Out):** Older stock must be used first. This prevents food from expiring.
    - **Temperature Control (The Danger Zone):**
      - Bacteria grow fastest between **5°C and 60°C** (the "Danger Zone").
      - **Cold food** must be kept below 5°C (in a fridge).
      - **Hot food** must be kept above 60°C (in a bain-marie or hot holding cabinet).
- Pest Control:** The establishment must be free from rats, cockroaches, and flies. This requires regular pest control services and keeping the area clean.
- **Cleaning and Sanitizing:**
    - **Cleaning** means removing dirt and grease.
    - **Sanitizing** means killing germs.
    - **Cutting boards, knives, and countertops** must be cleaned *and* sanitized after each task, especially after handling raw meat.

**Waste Disposal:** Garbage bins must have lids and be emptied regularly. A dirty garbage area attracts pests.

## **LESSON-5**

# **LAWS RELATING TO EMPLOYMENT AND WELFARE**

### **OBJECTIVES:**

- To realize the employer's obligations and the employees' duties in tourism and hotel organizations
- To know about the various laws governing employment and welfare in tourism and hotel organizations
- To understand the different social security schemes of employees in Tourism & Hotel Industry

**Learning Outcome: Understand the welfare & social security measures of employees through the concerned Acts.**

*(This unit is about the relationship between the Hotel (Employer) and its Staff (Employee).)*

### **1. Obligations of the Employer (The Hotel's Duties to its Staff)**

- **What is it in Baby Terms?** What the hotel must do to be a good and legal employer.
- **Detailed List:**
  - **Provide a Safe Workplace:** This includes safe equipment, fire safety, and protection from harassment.
  - **Pay Wages/Salary on Time.**
  - **Provide Statutory Benefits:** Like Provident Fund (PF), Insurance (ESIC), and Gratuity.
  - **Not Discriminate:** Cannot discriminate in hiring or promotion based on gender, religion, caste, etc.
  - **Give Paid Leave:** As per the company policy and law (like Earned Leave, Sick Leave).

### **2. Duties of the Employee (The Staff's Duties to the Hotel)**

- **What is it in Baby Terms?** What is expected from the staff in return.
- **Detailed List:**
  - **Work Diligently and Honestly.**
  - **Follow Lawful Orders** from superiors.
  - **Take Care of Hotel Property** (don't misuse or damage equipment).
  - **Maintain Confidentiality** (don't share hotel secrets or guest information).

### **3. Termination of Employment (The Rules for Ending a Job)**

- **What is it in Baby Terms?** The legal ways to fire someone. You can't just say "You're fired!"
- **Types of Termination:**

- **Termination for Cause (Misconduct):** Immediate firing for serious offenses like theft, violence, fraud, or coming to work drunk.
- **Retrenchment:** Letting employees go because the hotel is cutting down staff (e.g., during the COVID-19 pandemic). The law requires the hotel to pay **retrenchment compensation**.
- **Resignation:** When the employee voluntarily quits.
- **Unfair Dismissal:** Firing someone for an illegal reason (e.g., for joining a union, for being pregnant) is not allowed, and the employee can challenge it in court.

#### 4. Hotel's Liability to others (Vicarious Liability)

- **What is it in Baby Terms?** "Vicarious" means "done on behalf of another." This means **if your employee does something wrong while doing their job, you, the employer, are responsible.**
  - **Detailed Example:** A hotel waiter, while serving soup, is careless and spills hot soup on a guest, causing burns.
- **Who is at fault?** The waiter was negligent.
  - **Who is liable?** The **hotel is liable** because the waiter was acting "in the course of his employment." The guest will sue the hotel, not just the waiter. The hotel must pay for the guest's medical treatment.
  -

#### Employee Welfare & Social Security Acts (The Safety Nets for Employees)

#### 5. The Employee's Provident Fund (EPF) Act, 1952

- **What is it in Baby Terms?** A **forced retirement savings plan**. Both the employee and employer put a little money into a savings account every month. The employee can withdraw this large amount when they retire.
- **How it works:**
  - An employee contributes **12%** of their (Basic Salary + Dearness Allowance).
  - The employer also contributes **12%** (of which 8.33% goes to the Employee Pension Scheme and 3.67% goes to the EPF).
  - **Example:** If your basic salary is ₹15,000, you contribute ₹1,800 and your employer contributes ₹1,800 (total ₹3,600) into your EPF account every month.

#### 6. The Minimum Wages Act, 1948

- **What is it in Baby Terms?** A law that sets the **lowest possible salary** an employer can pay for a particular job in a particular region. It ensures no worker is exploited.
- **Example:** The government announces that the minimum wage for a hotel housekeeper in Delhi is ₹14,000 per month. It is illegal for any hotel in Delhi to pay a housekeeper less than that amount.

#### 7. The Workmen's Compensation Act, 1923

- **What is it in Baby Terms?** An insurance policy paid for by the employer. If a worker gets injured, disabled, or dies because of a workplace accident, this act ensures they (or their family) get money.



- **Example:** A hotel electrician gets a severe electric shock while fixing a switchboard and loses a finger. This act ensures the hotel pays for his medical treatment and also gives him a lump-sum amount as compensation for his permanent disability.

## 8. Equal Remuneration Act, 1976

- **What is it in Baby Terms? Equal pay for equal work.** Men and women must be paid the same salary for doing the same job.
- **Example:** A female Front Office Associate and a male Front Office Associate, both with the same experience and job role, must receive the same basic salary, allowances, and incentives.

## 9. New Pension Scheme (NPS), 2005

- **What is it in Baby Terms?** A voluntary, long-term retirement savings scheme run by the government. It's an alternative or addition to EPF.
- **Key Difference from EPF:** In NPS, you can decide how much to invest and you have some choice in how your money is invested (in equity, government bonds, etc.). The final pension amount depends on how well these investments perform.