

'CUSTOM EQUIPMENT IS MORE PREVALENT IN INDIA'

Sunil Khanna, Director of Aster Technologies Private Limited, in conversation with **Industrial Products Finder** on the food service equipment industry.

What has been the company's path-breaking products? Any new launches recently?

Aster's core business refers to turn-key solutions for commercial kitchens on 'Design & Build' basis which involves over 15 product categories & 300 plus SKU's.

Aster was the only company in India to be prequalified as a vendor for commercial food service equipment when KFC, Pizza Hut, TGI Friday's, Shakey's, Ruby Tuesday, Chili's, Johnny Rockets, Krispy Kreme & Pita Pit first entered India. Till date Aster has fabricated all stainless steel equipment for over 600 Subway stores in India. This happened because of our ability to fabricate custom food service equipment of the right quality at right price with short delivery time. Almost all of these brands rated us as probably the best vendor because we were able to forge strong relationships with their local teams. Not once we faltered on promise and were the only instance of single vendor for this product range in spite of Brand requirement to have minimum two vendors.

Subsequently, we became the only company in India till date to manufacture Impingement Type Conveyor Pizza Ovens, Combi Ovens, Dishwashers to name a few. We have also been a preferred vendor for exhaust hoods due to our expertise in central kitchen ventilation. We also have over 70% market share of Kitchen Fire Suppression Systems. Till date, we remain the best solution provider for high quality restaurant and cafeteria kitchens built with indigenously manufactured equipment due to our world class expertise in planning of such kitchens on one side and ample capabilities in process engineering for HACCP compliant SS fabrication with high display value.

Recently, we have launched Regen-



Sunil Khanna.

eration Cabinets for frozen Food and Complete Hygiene Labs

How would you describe the current situation of manufacturing sector in India?

Manufacturing sector in food service equipment segment is currently devoid of any quality players whatsoever. The sector is woefully short of technology, experience and investment. India still imports high quality stainless steel custom fabrication from Thailand, Malaysia & Singapore. We are in urgent need of expat experts to upgrade quality of indigenous production to reduce dependence on imports. SSS, Allied Metals & Franke from Netherlands, Thailand & Switzerland respectively have set up factories in India, but only SSS has a local partner.

What measures the government should take for the improvement of food service equipment industry?

The industry has suffered due to lack of any big sized factories in the past as no manufacturer was prepared to lose SSI benefits on excise duty. This single

benefit has been responsible for lack of any well equipped plants in India. The countries from where India imports as well as China have massive investments in machinery & tooling. At present, the GST rate seems to be 28% for these products as this product category has not been created as yet. Anything more than 18% will destroy this segment as the end users do not have a great record of tax compliance.

Using customised food service equipment is a growing trend in the global market. Your views in brief?

Custom equipment is more prevalent in India rather than globally as the Indian restaurant & hotel market is not yet matured and lacks standardisation. Also, in India locally made custom equipment is cheaper than modular equipment whereas it is the other way round internationally. Outside India, only the display kitchens in hotels, casinos and ships are custom built as they can afford a higher price.

With negligible export by Aster, what are the factors hampering the growth?

India can export only to Nepal, Bhutan & Sri Lanka apart from Indian restaurants overseas. The range of export worthy products is very small as the local products do not carry any certifications for safety or energy efficiency. Gas equipment from India cannot be exported as India is one of the rare countries which cooks with butane rather than propane and therefore does not have export worthy safe and efficient gas cooking equipment

How is the present import scenario?

Imports from China are growing fast as Indian operators are price sensitive and imports from china are easy due to abundance of supply. OSR's have major

share of the investment pie and that helps imports from USA, Hotels import from Europe & Asia and import in this segment is sluggish at present.

How does Aster carry out the supply and trade of its products efficiently?

First, we do not bite more than what we can chew. And we do not want to go burst. We work within our capacity of each business vertical and keep on adding new business verticals within the space of cooking and service of food & beverages to increase our revenue per customer.

After almost three decades of establishment of the company. What were the prominent challenges faced and how were they overcome?

We have had several challenges during our journey thus far. In the nineties, the market growth was very erratic as the successive Governments were sending conflicting signals to investors in restaurant and food segments. We, therefore, were unable to implement our growth plans in a consistent manner. Subsequently, high cost of real estate made the restaurant and hotel sectors less lucrative to new investors. As most of the QSR chains are from USA, their investments are designed to go back to US manufacturers and Indian manufacturers receive only a fraction of the total business. CWG games were a last opportunity as the games were marred by corruption controversies and were not followed

by any other major events to increase inflow of international visitors which could have increased demand for hotel rooms

How much promise does the Indian food service equipment industry hold in future?

This sector is poised for consistent growth for a long time to come. The market is big and growing fast. However, due to extremely large number of players and virtually no entry barriers for new comers, one needs to think out of the box strategies to increase market share. If you are innovative and can distribute your products well, there is huge potential waiting to be tapped. ■

