

HRAWI urges PM Modi to reduce GST on commercial LPG from 18% to 5%

The Hotel and Restaurant Association of Western India (HRAWI) has submitted a representation to the Hon'ble Prime Minister – Shri Narendra Modi, requesting urgent relief for restaurants from the recent abnormal increase in the cost of Liquid Petroleum Gas (L.P.G). The Association has stated that LPG being one of the most essential requirements of the restaurant industry, the steep hike in its cost has led to increase in rates of all other essential commodities too. The drastic rise in the cost of LPG will lead to escalation of the price of food items sold at restaurants which will directly burden the customer's pockets. It has become extremely difficult especially, for standalone restaurants to absorb this exponential increase in the cost of fuel since many of these restaurants cater to the middle and lower class at affordable prices. To continue to remain affordable, the HRAWI has requested that the rate of tax on LPG for standalone restaurants be reduced to 5 per cent from the current 18 per cent.

“Most standalone restaurants cater to the middle and lower class at affordable prices. The working class that relies on such eateries for their daily meals outside of home can't afford to spend more on food. At present, commercial LPG attracts GST at 18 per cent. The tax burden adds to the cost of food since standalone restaurants do not receive ITC concessions. So, we pray that the rate of tax on LPG for standalone restaurants be reduced to 5 per cent and request the Hon'ble PM for his support in this for us to be able to continue offering affordable meals to the everyday people,” says Mr. Sherry Bhatia, President, HRAWI. Over the last two years, the cost of LPG has increased by Rs.400/- to Rs.500/-. Besides the increase in the cost of LPG cylinders, HRAWI has pointed out that the steady increase in the rates of diesel, and petrol has led to increased cost of transportation. This in turn has led to an increase in the prices of grains, pulses and many other essential commodities.

“The Government is well aware that standalone restaurants generate a large number of employment opportunities too. The ratio between the creation of job opportunities and investment involved in standalone restaurants is much higher than in any other industry. We pray to the Government for understanding our plea and help the standalone restaurants to mitigate this inflation in LPG to avoid its cascading effect on food prices,” concludes Mr. Pradeep Shetty, Sr. Vice President, HRAWI.