

West Asia Conflict | HRAWI appeals for license fee deadline extension amid the LPG supply shortage

The Hotel And Restaurant Association-Western India (HRAWI) has urged the Maharashtra Government to grant an extension or allow staggered payment of the Annual License Fee in light of the on-going disruption in commercial LPG supply, which has severely impacted the hospitality sector across Maharashtra and the country.

HRAWI has submitted a representation to Deputy Chief Minister , who is also the State Excise Minister, requesting a one-month extension of the license fee payment deadline from March 31 to April 30.

Alternatively, the Association has proposed a staggered payment mechanism, allowing the annual license fee to be paid in four quarterly instalments by March 31, September 30, and December 31.

“The situation on the ground remains critical, with approximately 30 to 35 percent of hotels and restaurants currently shut, owing to a near-complete halt in LPG supply from distributors. Establishments that continue to operate are doing so under curtailed hours and restricted menus, optimising fuel usage to sustain operations,” says Pradeep Shetty, spokesperson, HRAWI.

"However, many of these establishments may also be forced to shut within the next 2 to 3 days if supplies are not restored. At this critical juncture, we urge the Government to provide immediate relief by granting an extension or permitting staggered payment of the Annual License Fee. Such support will go a long way in helping the industry navigate this liquidity crunch,” he added.

The LPG shortage has led to significant business losses, estimated at 25 to 30 per cent across India, with widespread operational disruptions including shorter service hours, limited menus, event cancellations or postponements, reduced guest capacity and declining occupancy levels in hotels. The crisis has also resulted in higher operating costs, as businesses attempt to manage limited resources and explore alternative arrangements.

“We request the Government a one month extension of the license fee payment deadline from March 31 to April 30. In case an extension is not feasible, we seek approval for an alternative, a staggered payment mechanism allowing the annual license fee to be paid in four quarterly instalments,” adds Chetan Mehta, Vice President, HRAWI.

Hospitality establishments across India are facing acute challenges in sustaining operations, particularly those involved in large scale catering and high volume food production. The on-going crisis is also beginning to impact employment and has triggered a cascading effect on the perishable supply chain and allied sectors that depend on the industry.

“With no LPG supply from distributors and operations severely curtailed, cash flows have been significantly disrupted, making it extremely difficult for businesses to meet statutory financial obligations such as the annual license fee without impacting salaries, vendor payments and essential operations. The deferment of payment towards the annual licence fee will go a long way in helping the industry navigate this liquidity crunch. At the same time, we request urgent intervention to restore commercial LPG supply, as the sector will continue to remain under strain until normalcy is achieved,” concludes Shetty.