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CCPA issues advisory to prevent unfair trade practices relating to levy of LPG charges in hotels and restaurants

Terms the practice an unfair trade practice under the Consumer Protection Act, 2019

By **Sanjiv Das** | March 25, 2026



LPG use

> WordPress post #39431

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The Central Consumer Protection Authority (CCPA) has taken serious note of hotels and restaurants levying additional charges such as LPG charges, gas surcharge and fuel cost recovery in consumer bills, terming the practice an unfair trade practice under the Consumer Protection Act, 2019. Observing that such charges are being imposed by default to circumvent existing guidelines on service charges, the authority has issued a fresh advisory under section 10 of the Consumer Protection Act 2019 directing that no such charges shall be levied automatically, and warned that violations may invite strict action.

The CCPA has observed, based on grievances received on the National Consumer Helpline (NCH), and media reports, that certain hotels and restaurants are levying such charges in the consumer bill by default, over and above the price of food and beverages displayed in the menu and applicable taxes. Such practices result in lack of transparency and impose unjustified costs on consumers.

The present practice of levying LPG charges or similar charges is an attempt to circumvent the aforesaid guidelines by adopting a different nomenclature. The CCPA has clarified that input costs such as fuel, LPG, electricity, and other operational expenses are part of the cost of running a business and must be factored into the pricing of menu items. Recovery of such costs through separate mandatory charges constitutes an unfair trade practice under Section 2(47) of the Act.

Through this advisory, the CCPA has advised that:

No hotel or restaurant shall levy “LPG charges”, “gas charges”, or similar charges by default or automatically in the bill.
The price displayed in the menu shall be the final price, exclusive only of applicable taxes.
Consumers shall not be misled or compelled to pay any additional charge that is not voluntary in nature.
The advisory further reiterates that any such charges, irrespective of nomenclature, are in the nature of service charge or additional fees and their levy by default would amount to violation

of the CCPA Guidelines dated 04.07.2022, and may attract action under the Consumer Protection Act, 2019.

Read online: https://nuffoodsspectrum.in/news/30/23274/ccpa-issues-advisory-to-prevent-unfair-trade-practices-relating-to-levy-of-lpg-charges-in-hotels-and-restaurants.html
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