

Government of India
Ministry of Consumer Affairs, Food and Public Distribution
Department of Consumer Affairs

LOK SABHA
UNSTARRED QUESTION NO. 1995
TO BE ANSWERED ON 11.02.2026

MANDATORY LEVY OF SERVICE CHARGE BY RESTAURANTS

1995. SHRI Y S AVINASH REDDY:

Will the Minister of **CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION** be pleased to state:

- (a) whether the Mandatory Levy of Service Charge by restaurants violate Consumer Law;
- (b) if so, the details thereof; and
- (c) whether the Government has issued any guidelines or notifications in this regard and if so, the details thereof?

ANSWER

THE MINISTER OF STATE
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(SHRI B.L.VERMA)

(a) to (c) : Yes Sir. The Central Consumer Protection Authority (CCPA) has issued guidelines (Guidelines to prevent unfair trade practices and protection of consumer interest with regard to levy of service charge in hotels and restaurants) on 4th July, 2022, to prevent restrictive trade practice/unfair trade practice and protection of consumer interest with regard to levy service charge in hotels and restaurants.

The guidelines issued by CCPA, interalia, stipulate the following:

- (i) No hotel or restaurant shall add service charge automatically or by default in the bill.
- (ii) Service charge shall not be collected from consumers by any other name.
- (iii) No hotel or restaurant shall force a consumer to pay service charge and shall clearly inform the consumer that service charge is voluntary, optional and at consumer's discretion.
- (iv) No restriction on entry or provision of services based on collection of service charge shall be imposed on consumers.
- (v) Service charge shall not be collected by adding it along with the food bill and levying GST on the total amount.
