

GOVERNMENT OF INDIA  
MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION  
DEPARTMENT OF CONSUMER AFFAIRS

**RAJYA SABHA**  
**UNSTARRED QUESTION No. 733**  
TO BE ANSWERED ON 22.07.2022

**SERVICE CHARGE IN HOTELS AND RESTAURANTS**

733. SHRI DEREK O' BRIEN

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

- (a) Government's position on service charge imposed by hotels and restaurants;
- (b) whether Government plans to make a legislative amendment in support of this position;
- (c) if so, the details thereof;
- (d) whether Government is taking steps to ensure that a fair remuneration is paid to the serving staff, so that even in case of abolition of service charge, the service staff do not suffer; and
- (e) if so, the details thereof and if not, the reasons therefor?

**ANSWER**

THE MINISTER OF STATE, CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION

(SHRI ASHWINI KUMAR CHOUBEY)

(a) to (e) : The Central Consumer Protection Authority has issued 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. The guidelines issued by CCPA stipulate that hotels and restaurants shall not add service charge automatically or by default in the food bill and have to clearly inform the consumer that service charge is voluntary, optional and at consumer's discretion. These guidelines do not prohibit a consumer for paying tips to the serving staff voluntarily.

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