

## Restaurants' body defends service charge, to meet with govt on June 2

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**New Delhi:** Defending the right of restaurants to levy service charge, the Federation of Hotels and Restaurants Association of India on Friday said it will participate in the meeting called by the department of consumer affairs (DoCA) on the issue on June 2.

The DoCA discussion follows complaints by customers on the National Consumer Helpline that restaurants impose 5-15% service charge even though it is different from taxes and is in the nature of a tip.

In response to complaints, secretary of consumer affairs, food and public distribution Rohit Kumar Singh had written to restaurant associations and said default billing option is not mandated by law.

Reacting to the charge, FHRAI said service charge is "part of the invitation offered by the restaurant to the potential customers. It is for the customers to decide whether they wish to patronise the restaurant".

"Service charge is considered a beneficial payment since it is meant for the benefit of the staff of the establishment....It is entirely a restaurant's discretion whether to charge service charge. If a guest has any objection to paying service charge, it can be removed from the bill," said Gurbaxish Singh Kohli, vice president, FHRAI.