CENTRAL CONSUMER PROTECTION AUTHORITY
Krishi Bhawan, New Delhi - 110001
Case No. CCPA- 2/73/2025-CCPA

In the matter of Amour Bistro (a unit of Ambrosia Hospitality) regarding alleged levying of service charge, violation of Consumer Rights and Unfair Trade Practices

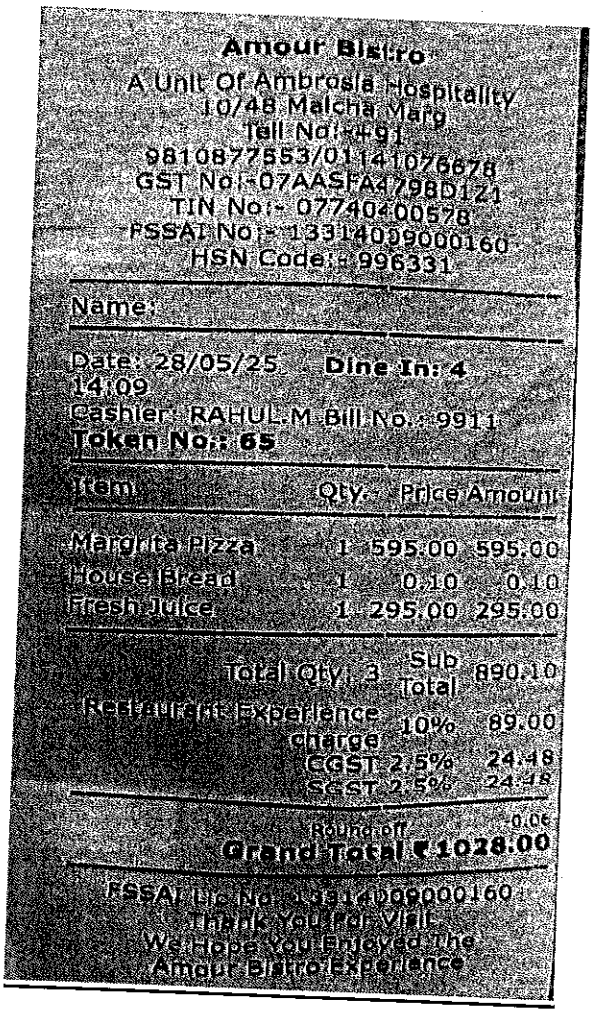
CORAM:
Smt. Nidhi Khare, Chief Commissioner
Shri Anupam Mishra, Commissioner

Appearance:
Harinder Bajaj, partner in Ambrosia Hospitality.

Date: 18th August, 2026

ORDER

1. The Central Consumer Protection Authority (CCPA) has taken suo-moto cognizance of the grievance dated 28.05.2025 against Amour Bistro (a unit of Ambrosia Hospitality) (The Restaurant) 10/48, Malcha Marg, New Delhi, wherein the Restaurant has forcibly levied 10% "Restaurant Experience Charge" on the bill, in addition to CGST and SGST. The bill is reproduced below:



Amour Bistro
A Unit Of Ambrosia Hospitality
10/48 Malcha Marg
Tell No:-+91
9810877553/01141076678
GST No:-07AASFA4798D1Z1
TIN No:- 07740400578
FSSAI No:- 13314009000160
HSN Code:- 996331

Name:

Date: 28/05/25 **Dine In: 4**
14:09
Cashier: RAHUL.M Bill No.: 9911
Token No.: 65

Item	Qty.	Price	Amount
Margrita Pizza	1	595.00	595.00
House Bread	1	0.10	0.10
Fresh Juice	1	295.00	295.00
Total Qty: 3		Sub Total	890.10
Restaurant Experience charge		10%	89.00
CGST		2.5%	24.48
SGST		2.5%	24.48
Round off			-0.06
Grand Total ₹1028.00			

FSSAI Lic No:-13314009000160
Thank You For Visit
We Hope You Enjoyed The
Amour Bistro Experience

2. It is pertinent to mention that vide judgement dated 28th March, 2025 the Hon'ble High Court of Delhi in **National Restaurant Association of India & Ors. v. Union of India & Anr.** had held that: *"All restaurant establishments would have to adhere to the guidelines passed by the CCPA. If there is any violation of the same, action would be liable to be taken in accordance with law. CCPA is free to enforce its guidelines in accordance with law."* Further the Hon'ble High Court had upheld the applicability of the CCPA guidelines which is in the interest of consumers and declaring the levy of any mandatory service charge as contrary to law and violates the guidelines.

3. The CCPA in exercise of power conferred under Section 18(2) and Section 19 of the Consumer Protection Act, 2019 (the Act, 2019) conducted a preliminary inquiry to examine the veracity of the claim made against the aforementioned Restaurant.

4. In the preliminary inquiry, CCPA prima facie found, that the Restaurant had levied service charge on the bill despite the Hon'ble High Court of Delhi upholding the Guidelines to Prevent Unfair Trade Practices and Protection of Consumer Interest with regard to levy of service charge in Hotels and Restaurants, 2022 issued by CCPA (hereinafter referred to as Guidelines, 2022). Considering that the bill is software generated, the practice adopted by the Restaurant might be impacting a wider base of consumers visiting the restaurant thereby making it a fit case for class action as envisaged in section 10 of Consumer Protection Act 2019.

5. Based on the preliminary inquiry findings, CCPA directed the restaurant to furnish their response vide Notice dated 28th July, 2025 for violation of various provisions of the Act, 2019 and *Guidelines to Prevent Unfair Trade Practices and Protection of Consumer Interest with Regard to Levy of Service Charge in Hotels and Restaurants issued on 04.07.2022.*

6. In response to the said notice, the restaurant made the following submissions on 09th August, 2025:

    a. That the Restaurant Experience Charge is fundamentally different from service charges typically associated with direct staff remuneration. This charge is purely towards the usage of the restaurant facilities and not towards services rendered by our staff. At no point is it our intention to deceive or mislead guests.

    b. The charge is for the provision and maintenance of facilities such as comfortable seating, air conditioning, clean and hygienic washrooms, basic amenities, secured premises, and other infrastructure that together create an

enhanced dining environment. These require continual investment and operational expenditure.

c. Transparency in Communication- the Restaurant Experience Charge is prominently displayed at the entrance as well as on all our menu cards, ensuring guests are informed well before placing orders. Transparency in pricing is a core value for our operations.

d. The food item prices on our menu reflect the cost of producing and serving the dishes. However, there are significant ancillary costs including rent, utilities, property maintenance, hygiene measures, and security that are essential to the guest experience. The Restaurant Experience Charge helps us to fairly offset these costs without inflating individual food prices disproportionately.

e. Many regular guests opt for takeaway, where these facilities are not utilized. To ensure fairness, the restaurant have adopted this separate charge so that dine-in guests, who enjoy these amenities, contribute to their upkeep, while takeaway customers are not burdened with the same cost.

f. Similar charging models are prevalent across various sectors, such as entrance charge clubs and event venues, convenience fees on IRCTC and airline bookings, baggage handling charges in airlines, packaging charges in delivery services, platform fees on delivery aggregators sites, Internet charges on event ticketing apps, payment gateway fees, processing fees, maintenance charges for space usage both in India and internationally. The restaurant's model is aligned with these widely accepted practices.

g. We appreciate that the guest in question may not have perceived the charge in the intended context. As a gesture of goodwill, we are ready to refund the amount to the concerned guest. Moreover, if any guest requests the removal of this charge, we are open to waiving it, even if it affects our revenue, as guest satisfaction remains our highest priority.

7. Upon examination of the response of the Restaurant, CCPA observed that the restaurant admitted to using the levy of 'Restaurant Experience Charge' as a business practice for all dine-in consumers which prima-facie establishes the fact that the practice of charging service charge by the name of 'Restaurant Experience Charge' has adversely impacted consumers as a class.

8. In light of the above observations, CCPA vide letter dated 20th August, 2025 directed Director General (Investigation) to conduct a detailed investigation on what is the justification for the restaurant's continued levy of a mandatory service charge in the food bill, in direct contravention of the Guidelines issued by the Central Consumer Protection Authority (CCPA) and the judgment of the Hon'ble High Court of Delhi.

9. The Director General (Investigation) submitted the Investigation Report dated 05th June, 2026 vide email dated 11th June, 2026. The findings in the Investigation report are as under:

    a. The Restaurant's practice of automatically adding a 10% "Restaurant Experience charge" of Rs. 89.00 on the invoice before applying CGST and SGST of Rs. 24.48 each, yielding a grand total of Rs. 1,028.00/- constitutes an unfair contract agreement. This is defined under Section 2(46) as contracts creating a significant imbalance in rights and obligations to the consumer's detriment, that impose pecuniary liability or additional charges without the consumer's express agreement. The pre-inclusion of the charge without any documented consent mechanism, separate opt-in, or opportunity for post-order acceptance, thereby effectively making the charge mandatory.

    b. The restaurant's claims that the charge was discretionary based on menu notations or verbal statements shifted the burden to consumers to refuse it. The Delhi High Court's decision in NRAI v. CCPA confirms that mere disclosure on a menu does not legitimize automatic levies; voluntariness requires explicit consumer agreement. Consequently, this billing practice is deceptive and non-compliant despite the restaurant's later "corrective measures". The conduct demonstrates that the restaurant imposed a service charge unreasonably, creates conditions causing consumer distress, amounting to an unfair trade practice under Section 2(46) (vi) of the Consumer Protection Act, 2019.

    c. The bill from Amour Bistro lists a "Restaurant Experience charge 10% Rs. 89.00" as a standard line item, presented similarly to statutory taxes like GST. This presentation creates the impression that the payment is mandatory, placing the burden on the customer to actively object at the counter to avoid paying it. Any practice that misleads consumers or falsely represents a charge as compulsory constitutes an unfair trade practice.

    d. The service charge is automatically levied and integrated into the bill like the restaurant experience charge—with GST applied on top—the billing format itself reinforces this misleading perception. This substantiates that the

restaurant's practice amounts to an unfair trade practice under Section 2(47) of the Consumer Protection Act, 2019.

e. The bill from Amour Bistro shows a service charge of 89.00 on a subtotal of Rs. 890.10, with GST applied on the enhanced amount, resulting in a final bill of Rs. 1,028.00. This demonstrates that the consumer paid tax on a non-statutory charge, and the total payable amount was inflated due to the automatic inclusion of the service charge without any recorded voluntary consent. Consumers are entitled to protection against unfair trade practices, the right to be informed.

f. The automatic addition of the service charge undermines informed choice, creates pressure at the billing stage, and makes it socially uncomfortable for customers to object, imposing a financial burden unless actively disputed. Offering a refund after payment does not rectify the violation, as the infringement occurs at the time of billing, when consent must be free and informed, the default inclusion of service charges negates voluntariness, thereby violating consumers' rights under Section 2(9) of the Consumer Protection Act, 2019.

g. In view of the above facts reflected in the impugned invoice, the automatic levy of Service Charge @10% (Rs 89.00) by Amour Bistro Delhi, amounts to violation of Section 2(9), 2(46)(vi), 2(47), Consumer Protection Act, 2019.

10. The Investigation Report submitted by DG (Investigation) was shared with the Restaurant vide letter dated 17th June, 2026 to furnish its comments and an opportunity of hearing was also provided to the Restaurant on 3rd July, 2026 under Section 20 and 21 of the Act, 2019 before passing an order.

11. During the hearing on 3rd July, 2026, the restaurant stated that it ceased levying service charges immediately upon receiving the notice on the outlets operated by Ambrosia Hospitality i.e., Amour Bistro and Arts Room. They further clarified that the "Restaurant Experience Charge" was entirely discretionary and optional, noting that staff always used to take the consumer's consent prior to applying it. On this, CCPA sought written comments on the investigation report along with a formal undertaking confirming the permanent discontinuation of the service charge i.e., "Restaurant Experience Charge"

12. Thereafter, the restaurant submitted the undertaking vide email on 10th July, 2026, stating that *"without prejudice, and in deference to the directions and guidance of the Hon'ble Authority, we hereby confirm and undertake that upon receipt of the Show-*

Cause Notice bearing F. No. CCPA-2/73/2025-CCPA, and upon realising that we have made a mistake and there has been an oversight, Amour Bistro immediately discontinued the practice of levying any Restaurant Experience Charge, Service Charge or any similar mandatory charge on customer bills. The same has also been followed at our other outlet, Arts Room at Eldeco Centre." Moreover, the restaurant further submitted that the necessary changes have been implemented across billing system, operational processes and internal policies to ensure that no such charges is levied upon the customers.

13. Before delving into the specifics of the case, it is pertinent to examine the relevant legal framework that governs such transactions.

    a. Section 2(9) (ii) and (v) of the Act, 2019 includes "the right to be informed about the quality, quantity, potency, purity, standard and price of goods, products or services, as the case may be, so as to protect the consumer against unfair trade practices" and "the right to seek redressal against unfair trade practices or restrictive trade practices or unscrupulous exploitation of consumers."

    b. From the bare reading of Section 2 (28) of the Act, 2019 it can clearly be concluded that when a restaurant displays a menu with specific prices, the consumer is duly informed about the cost of the food. However, if a mandatory service charge is added later, it conveys an express or implied representation that the restaurant, a service provider had deliberately concealed the actual price of the food and service thereof, constituting an unfair trade practice.

    c. Section 2 (46) "unfair contract" means a contract between a manufacturer or trader or service provider on one hand, and a consumer on the other, having such terms which cause significant change in the rights of such consumer, and imposing on the consumer any unreasonable charge, obligation or condition which puts such consumer to disadvantage;

    d. Furthermore, Section- 2(47) of the Consumer Protection Act, 2019 defines "Unfair Trade Practice" which includes deceptive or unethical methods used to promote the sale of goods, use or supply of any goods or provision of services.

    e. CCPA had 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 extracts of which are given below:

"3. Service charge is being levied in addition to the total price of the food items mentioned in the menu and applicable taxes, often in the guise of some other fee or charge.

4. It may be mentioned that a component of service is inherent in price of food and beverages offered by the restaurant or hotel. Pricing of the product thus covers both the goods and services component. There is no restriction on hotels or restaurants to set the prices at which they want to offer food or beverages to consumers. Thus, placing an order involves consent to pay the prices of food items displayed in the menu along with applicable taxes. Charging anything other than the said amount would amount to unfair trade practice under the Act.

7. Therefore, to prevent unfair trade practices and protect consumer interest with regard to levying of service charge, the CCPA issues the following guidelines –

(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."

f. The Hon'ble High Court of Delhi [***National Restaurant Association of India & Ors. Vs Union of India & Anr.]*** passed the Judgment on 28th March, 2025 held in favor of CCPA wherein the Court held the following:

i. Service charge or TIP as is colloquially referred, is a voluntary payment by the customer. It cannot be compulsory or mandatory. The practice undertaken by the restaurant establishments of collecting service charge that too on a mandatory basis, in a coercive manner, would be contrary to consumer interest and is violative of consumer rights.

ii. *The collection of service charge and use of different terminologies for the said charge is misleading and deceptive in nature. The same constitutes an unfair trade practice under Section 2(47) of the CPA, 2019.*

iii. *The guidelines framed by the CCPA are thus valid and are in the interest of the consumers and the same are upheld.*

iv. *While this Court holds that the mandatory collection of service charge is contrary to law and violates the guidelines, it is also of the opinion that if consumers wish to pay any voluntary Tip for services which they had enjoyed, the same would obviously not be barred. The amount however, ought not to be added by default in the bill/invoice and should be left to the customer's discretion.*

v. *All restaurant establishments would have to adhere to the guidelines passed by the CCPA. If there is any violation of the same, action would be liable to be taken in accordance with law. CCPA is free to enforce its guidelines in accordance with law.*

14. In light of the above provisions and consideration of the investigation report of DG Investigation (CCPA) along with the submissions of the Restaurant, CCPA arrives at the following findings:

(a) It is important to note that the genesis of the service charge in the bill is the command embedded in the billing software, leading to default addition of service charge in the guise of Restaurant Experience Charge to every bill. Therefore, it shall be erroneous to presume that the charge was voluntary. This effectively negates the restaurants contention before CCPA that the Restaurant Experience charge was discretionary. Moreover, the collection of service charge and use of different terminologies for the said charge is misleading and deceptive in nature. The same constitutes an unfair trade practice under Section 2(47) of the CPA, 2019.

(b) CCPA observed that the "Restaurant Experience Charge" prominently displayed at the entrance as well as on menu cards, ensuring guests are informed well before placing orders is liable to be rejected as the mere display of collection of non-statutory charge like "service charge", "Restaurant experience Charge" on the menu card or on the bill does not obviate the responsibility of the establishment to properly inform the consumer.

(c) It is pertinent to note that when a restaurant displays menu prices, consumers are informed of the actual cost of their food. Consequently, including a mandatory service charge later creates an express or implied representation that the restaurant concealed the true cost of the food and services, thereby amounting to an unfair trade practice.

(d) As the restaurant has already submitted that they discontinued the practice of levying Restaurant Experience Charge immediately upon the receipt of notice confirms that the charge was at least mandatorily levied on all consumers until 28th July, 2025. This default imposition constitutes a direct contravention of the CCPA Guidelines, 2022 and the judgement of Hon'ble High Court of Delhi dated 28th March, 2025.

(e) The restaurant's failure to update its software-generated billing system till CCPA issued notice, proves that it had made no reasonable effort to align its practices with the Guidelines. This refusal to rectify automated billing errors suggests a continued unauthorized collection, thereby rendering the restaurant fully liable for the consumer rights violations.

(f) Hence, the Restaurant is in violation of the following provisions of Consumer Protection Act 2019:

(i) Consumer rights under section 2(9) (ii) of the Act, 2019.

(ii) Consumer rights under section 2(9) (v) of the Act, 2019.

(iii) Misleading advertisement under Section 2(28) (i) and (iii) of the Act, 2019.

(iv) Engaging in Unfair Trade Practice as defined in section 2(47) of Act, 2019 read with section 2(46) (vi) of Act, 2019;

(v) 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.

15. Considering the above findings and the violations noted in the foregoing paras the CCPA is empowered under Section 20 and 21 of the Consumer Protection Act, 2019 to issue directions to modify the advertisement or discontinue such advertisement and practices, if necessary, it may, by order, impose a penalty which may extend to ten lakh rupees and for every subsequent contravention may extend to fifty lakh rupees. Further, Section 21 (7) of the above Act, 2019 prescribes that following may be regarded while determining the penalty:

i. the population and the area impacted or affected by such offence;
ii. the frequency and duration of such offence;
iii. the vulnerability of the class of persons likely to be adversely affected by such offence;
iv. the gross revenue from the sales effected by virtue of such offence.

16. It is evident that the Restaurant has discontinued the levy of Restaurant Experience Charge subsequent to the CCPA taking cognizance of the present matter Prior to that, its automated billing software automatically included this charge on all consumer bills. Since, this practice was systematically applied over an extended period, the violation goes beyond the Hon'ble Delhi High Court ruling on 28th March, 2025. Therefore, the conduct of the restaurant attracts the applicability of Section 21(7) of the Act, 2019.

17. In light of the above CCPA issues the following directions:

I. The Restaurant shall discontinue and refrain from levying or collecting any service charge automatically or by default, whether under the nomenclature of "service charge" or by any other name, and shall ensure strict compliance with the Guidelines to Prevent Unfair Trade Practices and Protection of Consumer Interest with Regard to Levy of Service Charge in Hotels and Restaurants dated 04.07.2022.

II. The restaurant is further directed to pay a penalty of Rs. 20,000.

The Restaurant shall submit a compliance report of the above-mentioned directions to the CCPA within 15 days from the receipt of this order.

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Nidhi Khare
Chief Commissioner

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Anupam Mishra
Commissioner