“GST Alert: Major changes for Restaurants Effective 1st April 2025”

Description

🚨 **Important GST Update for Restaurants (Effective from 1st April 2025)**

📅 **31st March 2025 is the last date to file declaration**

🔷 The concept of Declared Tariff has been scrapped.

🔷 Now, specified premises will be determined based on the actual tariff charged in the preceding financial year (i.e., value of accommodation supply ? ?7,500/day), and not on declared tariff.

🔸 As per Notification No. 05/2025–CTR, a new option has been introduced for restaurants located in hotels with a tariff of ?7,500 or less per day:

✅ They can continue paying GST @ 5% without ITC,

OR

✅ Opt to pay GST @ 18% with ITC by filing a declaration.

📥 Declaration Forms: 🔷 Annexure VII – For existing registrations

🔹 Annexure VIII – For new registrations

🔹 Annexure IX – For opting out

📝 **Since forms are not yet live on the portal, the declaration can be submitted manually or via registered email to the jurisdictional officer.**

📌 **One-time declaration is valid for the current and subsequent financial years – no need for yearly declarations.**

💭 In my opinion, this new option (18% with ITC) will benefit restaurants with:

– High investment in interiors

–Significant recurring GST expenses (e.g., rent)

🙏Requesting @ArpitHaldia Sir to share insights on scenarios where this option proves to be beneficial & the rationale behind this amendment.

Notification Link:https://taxinformation.cbic.gov.in/view-pdf/1010273/ENG/Notifications

Category

1. GST

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