



“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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