

Big Change in Hotel GST Rules: 'Specified Premises' Now Based on Actual Charges, Not Declared Tariff!"

- **Before 01.04.2025:** A hotel was classified as a 'specified premises' based on its **declared tariff** (published rate before discounts) **exceeding ₹7,500 per unit per day**.
- **From 01.04.2025:** The **declared tariff concept is removed**. Instead, the **actual transaction value** (amount charged in the previous financial year) will determine whether a hotel qualifies as a 'specified premises' in the current financial year.

Now, both existing suppliers and new applicants can opt to declare their premises as specified premises for any financial year.

The definition of "Specified Premises" has been changed **w.e.f April 1st, 2025**. Specified premises for a financial year shall mean:

Criteria	Definition of "Specified Premises"
(a)	A hotel where any room was rented for more than ₹7,500 per day in the last financial year, or

(b)	A hotel where the owner declared it as a specified premises between January 1st and March 31st of the last financial year, or
(c)	A hotel where the owner declared it as a specified premises within 15 days of applying for registration.

Why was change necessary ?

The concept of '**declared tariff**' is being replaced with '**value of supply**' (actual transaction value) to align with GST rates and the hotel industry's shift to dynamic pricing. From 01.04.2025, a hotel's '**specified premises**' status in the current financial year will be determined based on its **value of supply in the previous financial year**, ensuring clarity and certainty in classification. Additionally, hotel accommodation service providers will have the option to **declare their premises as 'specified premises'**, allowing their in-house restaurants to charge **18% GST with ITC benefits**.

Necessary Compliances to be made

S.No.	Query	Remarks
1.	Who can file the declaration?	Registered persons supplying hotel accommodation or new GST applicants.
2.	When should it be filed?	1st Jan – 31st Mar (preceding FY) or within 15 days of GST registration.
3.	Which forms are used for declaration?	Annexure VII- For existing registered suppliers to opt-in. Annexure VIII- For new registrants. Annexure IX- For opting out.

4.	How long is the declaration valid?	Until the taxpayer opts out by filing Annexure IX. No need for annual renewal.
5.	Is filing required if charges exceeded ₹7,500 per unit/day in the last FY?	No, you are automatically a 'specified premises.'
6.	How to opt in voluntarily?	File Annexure VII between 1st Jan – 31st Mar of the current FY.
7.	How can declarations be submitted?	Physically, via email, or post to the jurisdictional GST authority.
8.	Who provides acknowledgment?	Jurisdictional GST authority.
9.	Does one declaration cover all premises under a single GSTIN?	No, separate filings are required for each premises.
10.	If supplies above ₹7,500 were made in one premises, will all premises be considered as 'specified premises'?	No, only the premises where supplies exceeded ₹7,500 will be considered as 'specified premises'.
11.	Can a filed declaration be withdrawn?	Yes, before 31st Mar of the same year.
12.	When do the revised rules take effect?	1st April 2025 (filing for FY 2025-26 begins 16th Jan 2025).
13.	Do these rules apply to catering services?	Yes, as per Notification No. 11/2017-CT (Rate).
14.	If opted in for FY 2025-26 but no units were supplied above ₹7,500, will the status of 'specified premises' continue in FY 2026-27?	No, the premises will not qualify as 'specified premises' for FY 2026-27 unless a fresh declaration (Annexure VII) is filed between 1st Jan – 31st Mar 2026.



15.	Where can declaration forms be found?	CBIC website under Trade Facilitation > Improving Ease of Doing Business.
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