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ALL ABOUT QRMP.

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A new Quarterly Return and Monthly Payment (QRMP) facility has been introduced for GST tax payers having an aggregate turnover of less than Rs.5 Crore in the preceding financial year, with effect from 1st January 2021. The salient features of the same are explained.

As per Section 37 of the CGST Act, 2017 read with Rule 59 of the CGST Rules, 2017, every registered person (other than Input Service Distributor, Composition taxable person, non resident taxable person, Person liable to deduct tax at source and person liable to collect tax at source) is liable to file a monthly return in form GSTR 1, containing details of outward supplies made by them, on or before 10th day of the succeeding month. Quarterly filing facility of GSTR-1 is also available for those tax payers whose aggregate turnover is below Rs.1.5 Crore in the preceding financial year.

As per Section 38 (2) of the Act read with Rule 60 of the CGST Rules, 2017, every registered person (other than Input Service Distributor, Composition taxable person, non-resident taxable person, Person liable to deduct tax at source and person liable to collect tax at source) shall file a monthly return on inward supplies received by him, after the 10th day and before the 15th day of the succeeding month, in Form GSTR -2. This return has not at all been operationalised.

As per Section 39 of the CGST Act, 2017 read with Rule 61 of the CGST Rules, 2017, every registered person (other than Input Service Distributor, Composition taxable person, non resident taxable person, Person liable to deduct tax at source and person liable to collect tax at source) is liable to file a comprehensive monthly return in form GSTR 3, containing details inward and outward supplies made by them, input tax credit availed, tax payable and tax paid, within such due dates, as may be specified. This return has not at all been operationalised and instead a summary monthly return in Form GSTR 3B is required to be filed. There was no facility of filing GSTR-3B on quarterly basis.

During the budget speech 2019, the Hon'ble FM informed that quarterly return filing would be introduced for those having annual turnover upto Rs. 5 Crore. Accordingly the following proviso was inserted under Section 39 (1) vide Section 97 of the Finance Act, 2019 along with certain other consequential amendments in the said section.

Provided that the Government may, on the recommendations of the Council, notify certain class of registered persons who shall furnish a return for every quarter or part thereof, subject to such conditions and restrictions as may be specified therein

Further, a new sub section (7) of Section 39 has been substituted which provides that those tax payers who are eligible to file the return on quarterly basis, shall pay their tax dues on monthly basis, in the manner to be prescribed.

Now, vide Notification 81/2020 Central Tax Dt. 10.11.2020, the above amendment has come into effect from 10.11.2020.

Vide Notification 84/2020 Central Tax Dt. 10.11.2020, taxable persons having aggregate turnover of upto Rs. 5 crore in the preceding financial year, are notified as persons who shall be entitled to file GSTR 3 B on quarterly basis From January 2021. This notification also provides for the following.

- On the date of exercising the option to file GSTR 3 B on quarterly basis, such persons should have filed their GSTR 3 B returns, which are due, till then (If he is exercising his option on 27th July for the quarter (July to September), in such case, he must have furnished the return for the month of June which was due on 22/24th July)
- Once such option is exercised, such persons shall continue to file GSTR 3 B on quarterly basis, until they revise such option.
- After having opted to file GSTR 3 B on quarterly basis, if the registered person's turnover exceeds Rs.5 Crore in the current financial year, he shall not be eligible to file quarterly return from the first month of the succeeding quarter. In other words, in case the aggregate turnover exceeds Rs.5 crores during any quarter in the current financial year, the registered person shall not be eligible for the Scheme from the next quarter.
- On the basis of the previous return filing behaviour of the tax payers, the portal will automatically choose an appropriate option for the tax payers, who have filed their GSTR 3 B for October 2020 before 30th November 2020, as below.

Registered persons having turnover upto Rs.1.5 crore and who are filing their GSTR 1 during 2020-21 on quarterly basis – Default option Quarterly GSTR 3B.
Registered persons having turnover upto Rs.1.5 crore and who are filing their GSTR 1 during 2020-21 on monthly basis – Default option Monthly GSTR 3B.
Registered persons having turnover of more than Rs.1.5 crore and upto Rs. 5 Crores, Default option Quarterly GSTR 3B.

- But, the above default options can be changed by the tax payer during the period from 05.12.2020 to 31.01.2020.

As already mentioned, Section 39 (7) lays down that the tax payers who opt to file their GSTR 3B returns on quarterly basis shall pay the tax on monthly basis, in the manner to be prescribed. Such manner is prescribed vide Notification 85/2020 Central Tax Dt. 10.11.2020.

As per this notification such tax payers may pay their tax liabilities for the first two months of the quarter as below.

- If they have filed quarterly return for the preceding period, 35 % of the tax liability paid by them by way of debit in electronic cash ledger in the preceding quarter shall be paid by them for the first two months.
- If they have filed monthly return for the preceding period, the tax liability paid by them by way of debit in electronic cash ledger in the preceding month shall be paid by them for the first two months.
- The above payments shall be made by way of depositing such cash in the Electronic Cash Ledger and no debit needs to be made from the Electronic Cash Ledger.
- During the first month, if the balance in electronic cash ledger and Electronic credit ledger is more than the tax payable as above, no further amount needs to be paid (For example, if 35 % of the tax paid in cash during last quarter was Rs.3,50,000 and there is a balance of Rs.2,00,000 in electronic cash ledger and Rs.1,50,000 in Electronic credit ledger, no further amount is payable for the first month. If the tax liability for the first month of the quarter is NIL, then also no amount needs to be paid.
- During the second month, if the balance in electronic cash ledger and Electronic credit ledger is more than the tax payable for the two months, no further amount needs to be paid (For example, if 35 % of the tax paid in cash during last quarter was Rs.3,50,000, then tax payable under this option for the first two months of the quarter is Rs.7,00,000 and if there is a balance of Rs.4,00,000 in electronic cash ledger and Rs.3,00,000 in Electronic credit ledger, no further amount is payable for the second month.

- The above said special procedure is not applicable unless the tax payer has filed all returns upto the preceding complete tax period.
- Apart from the above option, the tax payer can also choose to pay the actual tax liability for the first two months.

Notification 83/2020 Central Tax Dt. 10.11.2020 supersedes Notifications 74/2020 Central Tax Dt. 15.10.2020 and Notification 75/2020 Central Tax Dt. 15.10.2020, effective from 01.01.2021. Notification 74/2020 Central Tax Dt. 15.10.2020 has prescribed the due dates for filing of GSTR-1 by tax payers having aggregate turnover of below Rs.1.5 Crore in the preceding financial years, for the Quarters Oct 20 to Dec 20 and Jan 21 to Mar 21 as 13.01.2021 and 13.04.2021 respectively. Notification 75/2020 Central Tax Dt. 15.10.2020 has prescribed the due dates for filing of GSTR-1 by tax payers having aggregate turnover of more than Rs.1.5 Crore in the preceding financial years, for the months from Oct 20 to Mar 21 as 11th of the succeeding month. As per Notification 83/2020 ibid, the due date for filing GSTR-1, post January 2021 would be 11th of succeeding month, except for those tax payers, who chose to filing GSTR-1 on quarterly basis, for whom the due date shall be 13th of the month succeeding the quarter.

Notification 86/2020 Central Tax Dt. 10.11.2020 rescinds Notifications 76/2020 Central Tax Dt. 15.10.2020. Notification 76/2020 Central Tax Dt. 15.10.2020 has prescribed the due dates for filing of GSTR-3B by all tax payers, for the months from Oct 20 to Mar 21 as 20th day of the succeeding month. Now, this period is taken care by newly introduced sub rule (6) to Rule 61, as per which the due dates for filing GSTR-3B is staggered as 20th, 22nd and 24th of the succeeding month for the period Oct 20 to Mar 21.

Notification 82/2020 Central Tax Dt. 10.11.2020 has made several amendments in CGST Rules, 2017 to give effect to the QRMP scheme.

It may be noted that as per Section 37, the due date for filing GSTR-1 on monthly basis is 10th of the succeeding month, unless extended. By notifications quarterly filing facility for GSTR 1 has been made available through notifications for the tax payers having aggregate turnover upto Rs.1.5 Crore in the preceding financial year.

A new Rule 59, dealing with GSTR-1 has been substituted with effect from 01.01.2021. Under sub rule (2) thereof, taxpayers who have opted to file GSTR-3B on quarterly basis need not file GSTR-1 on monthly basis. But in order to enable the recipients of supplies from such tax payers, to avail Input Tax Credit immediately, they are permitted to upload invoices in Invoice Furnishing Facility (IFF) in the common portal in the first two months of the quarter. This can be done upto a value of Rs.50 lakhs in each month (first and second month). The details furnished in IFF would be auto-populated in their GSTR-1 and need not be filled again. Such persons shall file their GSTR-1 for the quarter on or before 10th of the month succeeding the quarter.

A new rule 60 has been substituted with effect from 01.01.2021 which deals with GSTR - 2A and GSTR-2B (which was hither to not having any statutory force).

A new rule 61, dealing with GSTR-3B has been substituted with effect from 01.01.2021. Those tax payers who are filing GSTR-3B on monthly basis shall file it on or before 20th of the succeeding month. For those tax payers who are filing GSTR-3B on quarterly basis, shall file it in a staggered manner for different States on or before 22nd or 24th of the succeeding month.

A new rule 61 A has been introduced prescribing the manner in which option to file GSTR-3B on quarterly basis can be exercised. Such option can be exercised from the 1st day of the second month in the preceding quarter to last day of the first month in the relevant quarter (**For example:** *A registered person intending to avail of the Scheme for the quarter 'July to September' can exercise his option during 1st of May to 31st of July*).

Such exercise of option is required only for the first time and such option shall continue until the taxpayer becomes ineligible to file quarterly returns (turnover exceeding Rs. 5 Crores) or if changes the option and intends to file monthly returns.

A circular bearing No. 143/13/2020 Dt. 10.11.2020 has been issued clarifying various issues relating to QRMP scheme. Some of the important clarifications (other than those which are already dealt with) are:

- Aggregate turnover during preceding financial year to determine the eligibility to opt for QRMP shall be based on the details furnished in the returns filed during the preceding financial year.

- The QRMP scheme is GSTIN based. So for each GSTIN this facility can be opted subjected to that GSTIN's aggregate turnover in the preceding financial year being less than Rs. 5 Crores. It is not entity based.
- Apart from paying fixed sum as tax for the first two months of the quarter explained above, the taxpayer can also ascertain the exact tax liability for the first two months and after considering the balance available in electronic credit ledger pay the balance amount into electronic cash ledger.
- A registered person, who has opted for the Scheme, had paid a total amount of Rs. 100/- in cash as tax liability in the previous quarter of October to December. He opts to pay tax under **fixed sum method**. He therefore pays Rs. 35/- each on 25th February and 25th March for discharging tax liability for the first two months of quarter viz. January and February. In his return for the quarter, it is found that liability, based on the outward and inward supplies, for January was Rs. 40/- and for February it was Rs. 42/-. No interest would be payable for the lesser amount of tax (i.e. Rs. 5 and Rs. 7 respectively) discharged in these two months provided that he discharges his entire liability for the quarter in the **FORM GSTR-3B** of the quarter by the due date.
- A registered person, who has opted for the Scheme, had paid a total amount of Rs. 100/- in cash as tax liability in the previous quarter of October to December. He opts to pay tax under fixed sum method. He therefore pays Rs. 35/- each on 25th February and 25th March for discharging tax liability for the first two months of quarter viz. January and February. In his return for the quarter, it is found that total liability for the quarter net of available credit was Rs. 125 but he files the return on 30th April. Interest would be payable at applicable rate on Rs. 55 [Rs. 125 – Rs. 70 (deposit made in cash ledger in M1 and M2)] for the period between due date of quarterly GSTR 3B and 30th April.
- **For registered person making payment of tax by opting Self-Assessment Method**
- Interest amount would be payable as per the provision of Section 50 of the CGST Act for tax or any part thereof (net of ITC) which remains unpaid / paid beyond the due date for the first two months of the quarter.
- **Applicability of Late Fee** - Late fee is applicable for delay in furnishing of return / details of outward supply as per the provision of Section 47 of the CGST Act. As per the Scheme, the requirement to furnish the return under the proviso to sub-section (1) of Section 39 of the CGST Act is quarterly. Accordingly, late fee would be the applicable for delay in furnishing of the said quarterly return / details of outward supply. It is clarified that no late fee is applicable for delay in payment of tax in first two months of the quarter.

With effect from 01.02.2021, the revised due dates for various returns shall be as below.

S.No.	Category of persons	GSTR - 1	GSTR - 3 B
1	Those who are liable to file on monthly basis	11th of succeeding month (Notification 83/2020 C.T. Dt. 10.11.20)	20th of the succeeding month [Rule 61 (1) (i) of the CGST Rules, 2017]
2	Those who are eligible and opt to file on quarterly basis	20th of the succeeding month [Rule 61 (1) (i) of the CGST Rules, 2017]	
2.1	Registered persons, those who are eligible and opt to file on quarterly basis whose principal place of business is in the States of Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands or Lakshadweep.		22nd day the month succeeding the quarter. [Rule 61 (1) (ii) of the CGST Rules, 2017]
2.2	Registered persons, those who are eligible and opt to file on quarterly basis whose principal place of business is in the States of Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha, the Union territories of Jammu and Kashmir, Ladakh, Chandigarh or Delhi.		24th day the month succeeding the quarter. [Rule 61 (1) (ii) of the CGST Rules, 2017]

