# Quarterly Returns along with Monthly payment of taxes (QRMP)

Effective from 1st January, 2021

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# Topics covered

1. Legal provisions applicable
2. Salient features of QRMP
3. Eligibility of the scheme
4. Opt-out from the scheme
5. Due dates
6. IFF under QRMP Scheme
7. Methods of tax calculation
8. Interest and Late fee applicability
9. Impact on GSTR 2A & 2B

| **Abbreviations** | |
|---|---|
| AATO | Annual Aggregate Turnover |
| CRS | Crores |
| CTP | Completed Tax Period |
| IFF | Invoice Furnishing Facility |
| PFY | Preceding Financial Year |
| RP | Registered person |
| QRMP | Quarterly returns along with monthly payment of taxes |
| M1 | First month of the quarter |
| M2 | Second month of the quarter |
| M3 | Third month of the quarter |

# 1. Legal Provisions applicable

| Sl. No | Notification/Circular reference | Subject |
|---|---|---|
| 1 | Notification No. 81/2020 Central tax dated 10.11.2020 | • Proviso to Sec 39 (1) of CGST Act, 2017: Government to notify class of persons who are eligible for QRMP scheme.<br>• First Proviso to Sec 39 (7) of CGST Act, 2017: RPs under QRMP scheme shall calculate taxes monthly and pay to Government within the specified time-lines. |
| 2 | Notification No. 82/2020 Central tax dated 10.11.2020 | End-to-End process of QRMP scheme has been notified viz;<br>• Manner of opting for furnishing quarterly return (Rule 61A of CGST Rules, 2017 has been inserted)<br>• Form and manner of furnishing of IFF, Form GSTR 1, 3B and updation of Form GSTR 2A and 2B, payment of challan through PMT-06. |
| 3 | Notification No. 84/2020 Central tax dated 10.11.2020 | Conditions for eligibility of QRMP scheme viz; AATO, Return filing for CTP, opting for monthly or quarterly filing |
| 4 | Notification No. 85/2020 Central tax dated 10.11.2020 | Calculation of tax payable under Fixed sum method for M1 and M2 of a quarter |
| 5 | Circular 143/13/2020- GST dated 10.11.2020 | Circular explaining entire scheme in simple terms |

# 2. Salient features of QRMP

| | Process | Due date |
|---|---|---|
| | Opt-in or opt-out based on AATO limit of Rs. 5crs in PFY | From 1st day of 2nd month of previous quarter To last day of 1st Month of current quarter (one-time) |
| First two months of the quarter | Upload B2B invoices, DN and CN through IFF (optional) – Limit upto Rs. 50 Lakh per month | 13th of the succeeding month (Monthly filing) |
| First two months of the quarter | Calculate tax based on Fixed sum method or self-assessment method and deposit tax through challan | 25th of the succeeding month (Monthly payment) |
| Last month of the quarter | File Form GSTR 1 for the quarter | 11th day from the end of the quarter (quarterly filing) |
| Last month of the quarter | File Form GSTR 3B for the quarter. Excess or shortfall paid in M1 and M2 is adjusted here | 22nd or 24th day from the end of the quarter (quarterly filing) |

# 2. Salient features of QRMP

No late fee on belated deposit of taxes for M1 and M2

**Scheme is applicable by default for eligible RPs.**

Scheme can be changed once in a quarter (change can be opt-in or opt out)

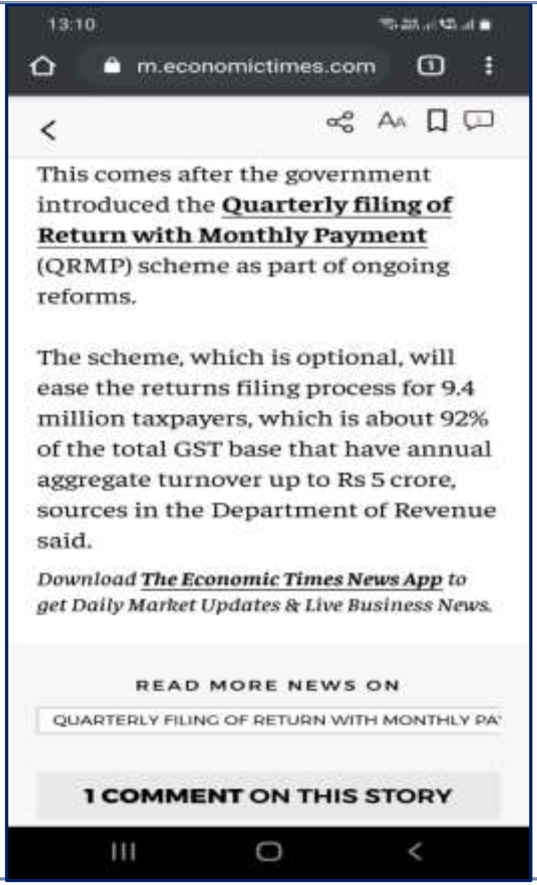
Method of tax calculation can be changed monthly (possible only in M1 and M2)

RPs can adopt the scheme GSTIN wise

(i)Scheme once opted will continue for future periods as such, unless

(ii)(i) opted out manually or

(iii)(ii) AATO has crossed Rs. 5 crs



# 2. Salient features of QRMP

**Differences between QRMP scheme and normal filing system:**

| Particulars | QRMP scheme | Normal filing system |
|---|---|---|
| **Scheme eligibility** | For RPs having AATO ≤ Rs. 5 crs in PFY and who have filed GSTR 3B for CTP. If opted out earlier, then opted-in now within the time lines specified. | Persons who are not eligible to QRMP or even though eligible but did not opt for the scheme. |
| **Forms applicable** | IFF, Monthly challans, GSTR 1 and 3B | GSTR 1 and GSTR 3B only |
| **Disclosure of outward invoice details** | (i) Only B2B invoices, CN and DN to be uploaded in IFF (monthly) which is optional and<br>(ii) GSTR 1 (Quarterly) which is mandatory | GSTR 1 only |
| **Tax payment** | (i) M1 & M2 – deposit through challans<br>(ii) M3 – GSTR 3B | GSTR 3B for every month |
| **Due dates** | (i) IFF – 13th of succeeding month subject to limit of Rs. 50 Lakh per month | -- |
| | (ii) Depositing challans relating to M1 & M2 – 25th of succeeding month | -- |
| | (iii) GSTR 1 – 11th day from the end of the quarter | (i) GSTR 1 – 11th day from the end of the month or the quarter (amended in Nov' 2020) |
| | (iv) GSTR 3B – 22nd/24th day from the end of the quarter (M1+M2+M3 liability is disclosed and paid through GSTR 3B) | (ii) GSTR 3B – 22nd/24th day from the end of the month |

# 3. Eligibility of the scheme

| **Existing RPs** | **New RPs** |
|---|---|
| • AATO upto Rs. 5 crs in preceding Financial year (PFY) **and**<br>• All GSTR 3Bs to be filed for "Completed tax period" (CTP) *ie; GSTR 3B upto preceding month as on the date of exercising the option has to be filed.* | • Applicable by default<br>• Option can be changed manually<br>• Same process is applicable to RPs shifted from composition to regular scheme. |

*Completed tax period (CTP): A tax period in which the person is registered from the first day of the tax period till the last day of the tax period*

# 3. Eligibility of the scheme

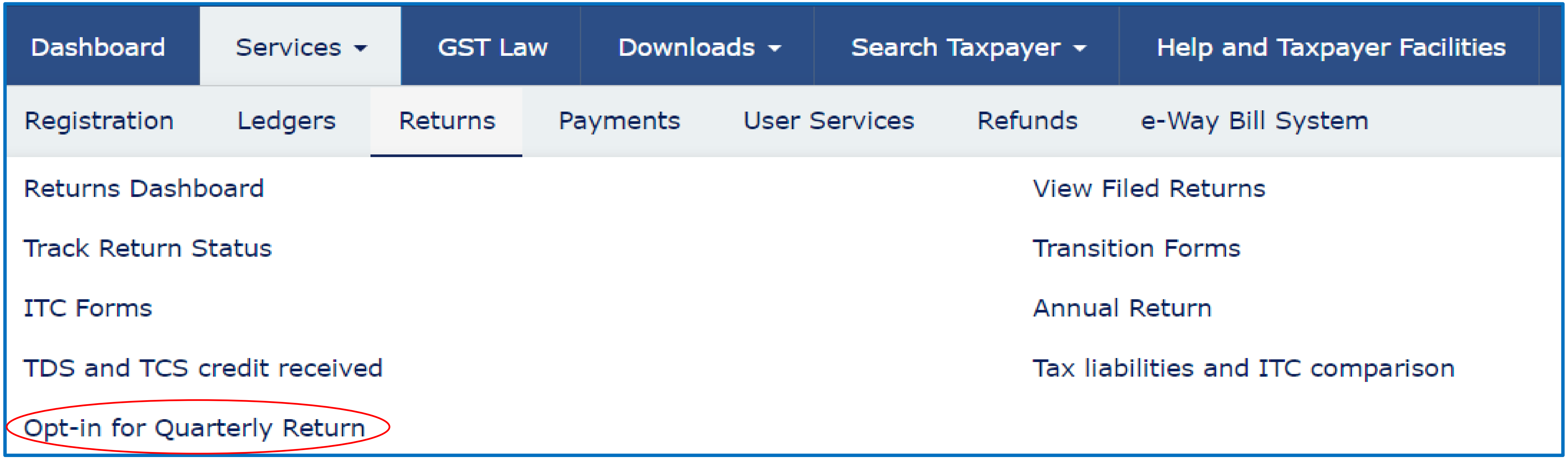
- If RP has opted out of the scheme earlier and later wishes to avail the scheme, then in addition to above two conditions mentioned under Existing RPs, selection of option within time limit has also to be met.

For eg; if a RP wishes to avail QRMP scheme for the quarter Jul'21 to Sept' 21, then he have to select the option between 1$^{st}$ May, 2021 to 31$^{st}$ July, 2021. Say RP has decided to opt for the scheme on 29$^{th}$ June, 2021 then all GSTR 3Bs for the CTP ie; upto May' 2021 have to be filed by 29$^{th}$ June, 2021.

*The above scenario is prepared based on assumption that RP has opted out for Jan'21 to June'21 and later wants avail the option from Jul'2021.*

# 3. Eligibility of the scheme

**Option available in Portal**:



# 3. Eligibility of the scheme

Monthly/Quarterly filing of RPs who have filed Form GSTR 3B of October 2020 by 30th November, 2020 given hereunder:

| Sl. No. | Class of Registered Person | Deemed option |
|---|---|---|
| 1 | AATO ≤ Rs. 1.5 crs and filed Form GSTR 1 on quarterly basis in the current financial year | Quarterly return |
| 2 | AATO ≤ Rs. 1.5 crs and filed Form GSTR 1 on monthly basis in the current financial year | Monthly return |
| 3 | Registered persons having AATO more than Rs. 1.5 crs and up to Rs 5 crs in the preceding financial year | Quarterly return |

*Deemed option from Monthly to Quarterly and vice-versa can be opted within the timelines specified. Refer due dates slide*

# 4. Opt-out of the scheme

| Opt-out voluntarily | Opt-out due to ineligibility |
| --- | --- |
| • Manually opt out from the scheme at any time during the financial year but within the timelines specified | • If AATO exceeds Rs. 5 crs in any quarter, then scheme is not applicable from next quarter. |

# 5. Due dates under QRMP scheme

| Particulars | Jan' 21 | Feb' 21 | Mar '21 | Apr '21 | May '21 | Jun' 21 | Jul' 21 | Aug '21 | Sept '21 | Oct' 21 | Nov '21 | Dec' 21 | Jan' 22 | Feb' 22 | Mar '22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Time limit for availing option | 05.12.2020 to 31.01.2021 | | | 01.02.2021 to 30.04.2021 | | | 01.05.2021 to 31.07.2021 | | | 01.08.2021 to 31.10.2021 | | | 01.11.2021 to 31.01.2022 | | |
| Filing IFF (13$^{th}$ of succeeding month) | 13$^{th}$ Feb | 13$^{th}$ Mar | | 13$^{th}$ May | 13$^{th}$ June | | 13$^{th}$ Aug | 13$^{th}$ Sept | | 13$^{th}$ Nov | 13$^{th}$ Dec | | 13$^{th}$ Feb | 13$^{th}$ Mar | |
| Monthly taxes *(M3 taxes will be paid with GSTR 3B)* | 25$^{th}$ Feb | 25$^{th}$ Mar | | 25$^{th}$ May | 25$^{th}$ June | | 25$^{th}$ Aug | 25$^{th}$ Sept | | 25$^{th}$ Nov | 25$^{th}$ Dec | | 25$^{th}$ Feb | 25$^{th}$ Mar | |
| Filing of GSTR 1 (Quarterly filing) | | | 11$^{th}$ Apr | | | 11$^{th}$ Jul | | | 11$^{th}$ Oct | | | 11$^{th}$ Jan | | | 11$^{th}$ Apr |
| Filing of GSTR 3B (Quarterly) *(Assumed 22$^{nd}$ is due date)* | | | 22$^{nd}$ Apr | | | 22$^{nd}$ Jul | | | 22$^{nd}$ Oct | | | 22$^{nd}$ Jan | | | 22$^{nd}$ Apr |

*Note: In addition to above, in order to get eligibility for the period Jan'2021 to Mar'2021, then Form GSTR 3B of October'2020 has to be filed by 30$^{th}$ November, 2020.*

# 6. IFF under QRMP scheme

| Sl. No. | Particulars |
|---|---|
| 1 | Filing of IFF is not mandatory. |
| 2 | Facility is available only for the first two months of the quarter. |
| 3 | Only B2B outward invoices, debit notes and credit notes shall be uploaded. |
| 4 | To be uploaded on or before $13^{th}$ of the succeeding month subject to a limit of Rs. 50 Lakh value per month (the word 'value' referred here might be taxable value only) |
| 5 | Documents can be uploaded on real time basis in IFF and they will reflect in GSTR 2A and 2B of the recipient (para 5.2 of circular 143/13/2020-GST dated $10^{th}$ November, 2020) |
| 6 | IFF will be closed after $13^{th}$ of the succeeding month. Thus, if a taxpayer has issued an invoice on $1^{st}$ of April, 2021 then such invoice can be uploaded between $1^{st}$ April, 2021 to $13^{th}$ May, 2021 only. |
| 7 | Any documents missed in IFF can be uploaded in GSTR 1 which is filed quarterly |
| 8 | Documents uploaded through IFF are not required to be disclosed in GSTR 1 again |

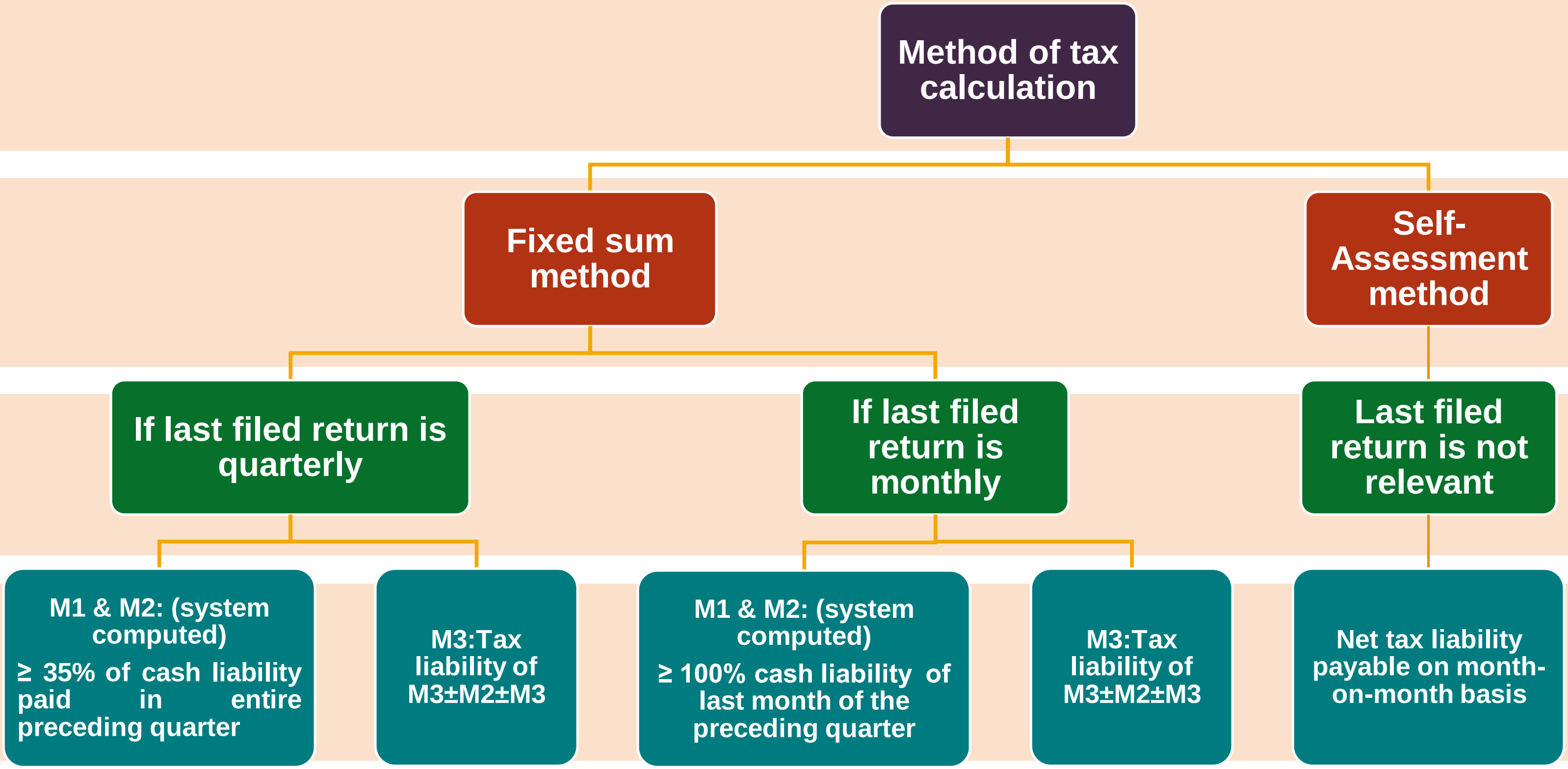
# 7. Methods of tax calculation

**Applicable only for the first two months of the quarter**

**Either of the methods can be followed in any month of the quarter (para 6.2 of circular 143,11/2020-GST dated 10th November, 2020)**

**Details of Last filed return**

**Formula for Tax liability**



# 7. Methods of tax calculation

- In all the above cases

(i) Tax liability of M1 and M2 have to be deposited by 25th of the succeeding month and

(ii) Tax liability of M3 to be paid along with Form GSTR 3B

- No deposit of cash is required if

    (i) Sufficient cash and/or credit is available; or

    (ii) Nil tax liability during the month.

# 7. Methods of tax calculation

- Excess amount deposited, if any, can be claimed as refund only after filing GSTR 3B of respective quarter.
- Cash deposited in M1 and M2 cannot be used for other purposes untill Form GSTR 3B of respective quarter is filed.
- In case, GSTIN is cancelled in the middle of the quarter, then also Form GSTR 3B for relevant quarter has to be filed (However, this may contravene Rule 21A (3) of CGST Rules, 2017).
- While generating the challan, taxpayers should select “Monthly payment for quarterly taxpayer” as reason for generating the challan

# 8. Interest and Late fee

Interest on liability discharged through fixed sum method for M1 and M2 tax periods:

| Tax period | Reason for charging interest | Liability on which Interest is payable | Period for which interest is payable |
|---|---|---|---|
| • M1 and/or M2 | • Shortfall in payment of tax or<br>• Belated payment or<br>• Both the above | • System computed liability – cash ledger and credit ledger balance as on due date – cash additionally deposited within due date. | • From the day after the due date for depositing challan ie; 25th of the succeeding month to actual date of deposit. |

# 8. Interest and Late fee

## Interest on liability paid through fixed sum method for M3 tax period

| Tax period | Reason for charging interest | Liability on which Interest is payable | Period for which interest is payable |
|---|---|---|---|
| • M3 | • Shortfall in payment of tax in M1 and M2 when compared to system computed liability | • System computed liability – cash ledger and credit ledger balance as on due date – cash additionally deposited within due date. | • From the day after the due date for depositing challan ie; 25th of the succeeding month to actual date of payment. |

# 8. Interest and Late fee

Interest on liability paid through fixed sum method for M3 tax period:

| Tax period | Reason for charging interest | Liability on which Interest is payable | Period for which interest is payable |
|---|---|---|---|
| • M3 | • Shortfall in payment of tax in M3 or<br>• Belated payment of tax relating to M3 or<br>• Both the above | • Net liability amount payable for M3 | • From the day after the due date for filing Form GSTR 3B ie; 22nd/24th of the succeeding month to actual date of filing the form. |

# 8. Interest and Late fee

- Self-Assessment method: Interest is applicable only if net liability has not been paid/deposited within the timelines *(para 8.2 of circular 143,11/2020 dated 10th November, 2020).*
- Irrespective of method of tax calculation, interest is applicable @ 18% p.a.

# 8. Interest and Late fee

Late fee: Irrespective of method of tax calculation

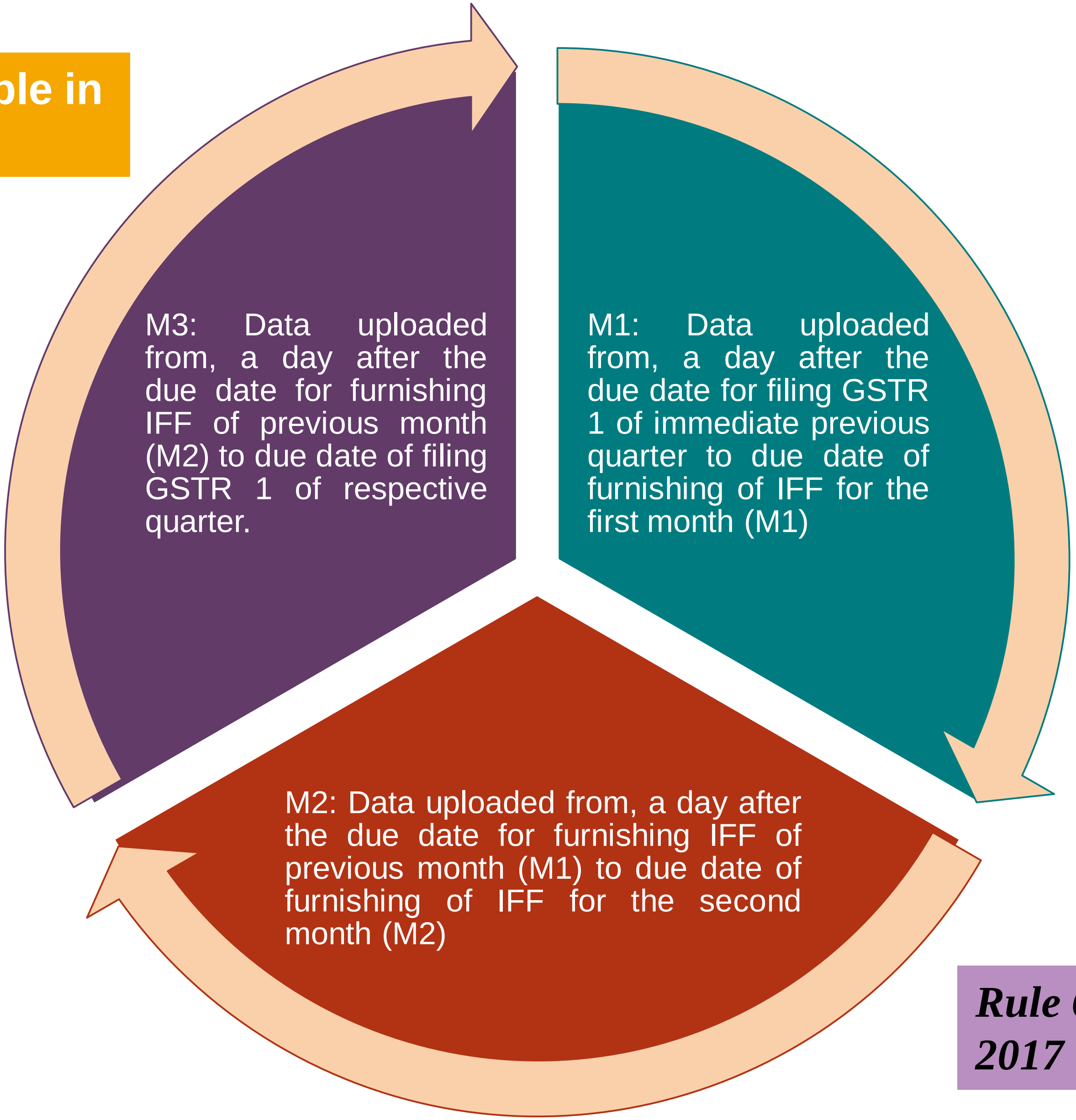
(i) Late fee is applicable only on belated filing of Form GSTR 3B (@ 50/- or 20/- per day subject to a limit of Rs. 5,000+5,000 per GSTR 3B).

(ii) Hence any delay in payment of taxes for the first two months of the quarter will attract only interest liability but not late fee.

# 9. Impact on GSTR 2A/2B

- Form GSTR 2A: Data uploaded through IFF/GSTR 1 are available to the recipient on real time basis.
- Form GSTR 2B: If vendor has opted for QRMP scheme, then Form GSTR 2B of the recipient is updated as given below

## What data is available in GSTR 2B?




***Rule 60 (7) of CGST Rules, 2017***

# When GSTR 2B is available?

***Refer Rule 60 (8) of CGST Rules, 2017***

| M1 | M2 | M3 |
|---|---|---|
| Later of the following:<br>A day after due date of furnishing IFF of M1 or<br>A day after due date of furnishing GSTR 1 of M1 by monthly GSTR 1 filer | Later of the following:<br>A day after due date of furnishing IFF of M2 or<br>A day after due date of furnishing GSTR 1 of M2 by monthly GSTR 1 filer | A day after due date of filing of GSTR 1 by RP under QRMP scheme |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