

A person wearing a light blue button-down shirt is seated at a desk, writing on a white document with a black pen. The person's right hand is holding the pen, and their left hand is resting on the document. The background is blurred, showing a dark surface and some indistinct shapes.

N M Jhanwar & Associates

Gist of Quarterly Return Monthly Payment Scheme

By CA. Nikhil M. Jhanwar

Change in GST Returns Filing System w.e.f. 1st January 2021

Existing System

Monthly filing of GSTR-3B for all taxpayers

Monthly filing of GSTR-1 for taxpayers having aggregate turnover more than **1.5 Crs.**

Quarterly filing of GSTR-1 for taxpayers having aggregate turnover upto Rs. 1.5 Crs.

GSTR-3B is monthly and GSTR-1 is either quarterly or monthly

New System from Jan 2021

Option to file quarterly GSTR-1 and GSTR-3B for taxpayers having aggregate turnover **upto 5 Crs.**

Mandatory Monthly filing of GSTR-3B and GSTR-1 for all taxpayers having aggregate turnover more than 5 Crs.

However, tax payment would be monthly for all taxpayers

Now, both GSTR-1 and GSTR-3B will either be quarterly or monthly

Gist of Legal Provisions- QRMP Scheme

Sl. No.	Notification	Remarks
1.	Notification No. 81/2020 – Central Tax, dated 10.11.2020.	Notifies amendment carried out in sub-section (1), (2) and (7) of section 39 of the CGST Act vide Finance (No.2) Act, 2019.
2.	Notification No. 82/2020 – Central Tax, dated 10.11.2020.	Makes the Thirteenth amendment (2020) to the CGST Rules 2017.
4.	Notification No. 84/2020 – Central Tax, dated 10.11.2020.	Notifies class of persons under proviso to section 39(1) of the CGST Act.
5.	Notification No. 85/2020 – Central Tax dated 10.11.2020.	Notifies special procedure for making payment of tax liability in the first two months of a quarter

Gist of QRMP Scheme

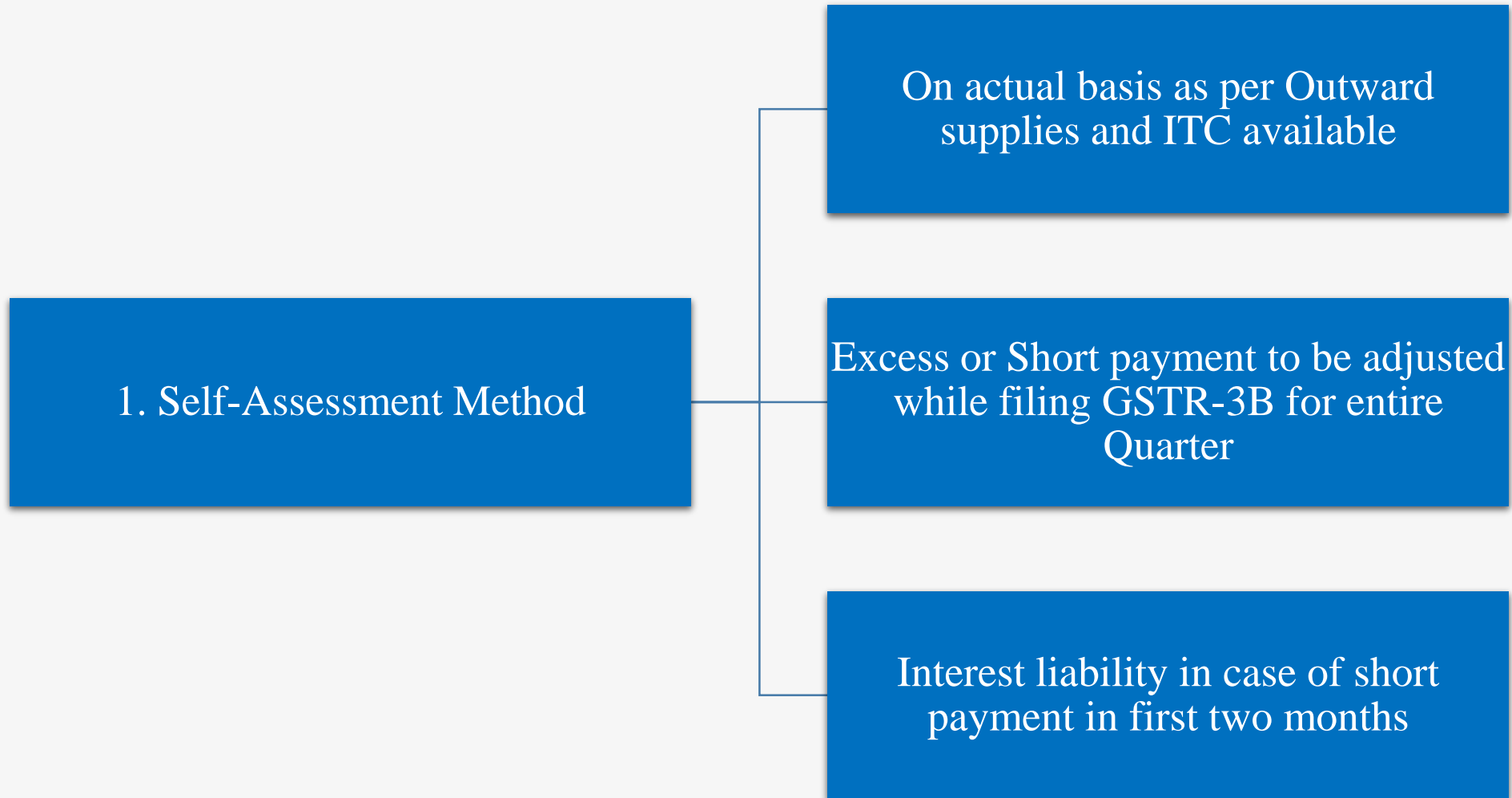
Eligibility for the Scheme

- ❑ Small regular taxpayers having aggregate turnover upto 5 crs. in a preceding financial year
- ❑ The Scheme is not applicable to those who are not required to file GSTR-3B and GSTR-1.
- ❑ The Scheme is optional and not mandatory

Snapshot of Scheme

- ❑ **Pay GST for first two months by 25th of Next month by depositing liability in Cash ledger in PMT-06 at GST Portal** either
 - ✓ on an estimated basis as per formula as notified by Government or
 - ✓ on actual basis on self-assessment basis
- ❑ **File GSTR-3B on quarterly basis by 22nd or 24th of next month including payment of GST liability for third month and adjustments, if any for first two months**
- ❑ **File GSTR-1 on a quarterly basis by 13th of next month**

Method 1: Monthly Payment under QRMP Scheme

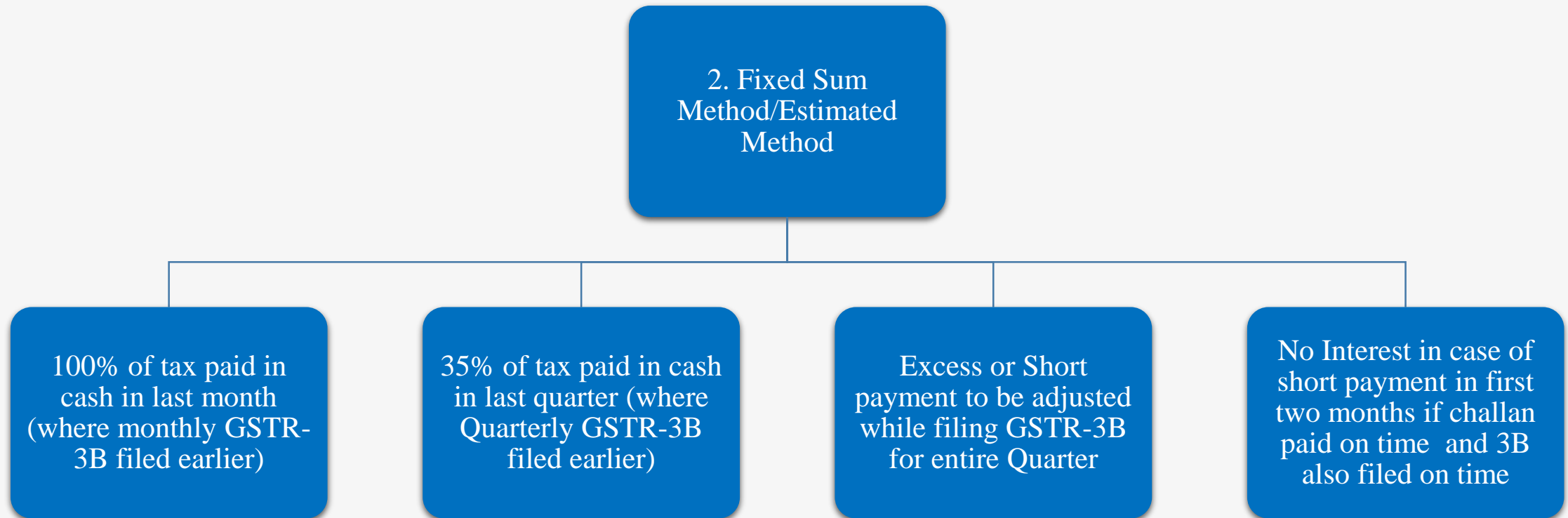


QRMP Scheme- Method 1: Self Assessment Basis

As per Method-1: Self Assessment Basis which is same as appearing in books of accounts

Particulars	Jan 21	Feb 21	Mar 21
Taxable Turnover	300000	400000	500000
IGST@18%	54000	72000	90000
ITC	30000	40000	50000
Cash Liability	24000	32000	40000
Monthly payment by 25 th	24000	32000	-
Quarterly GSTR-3B by 22 nd /24 th			40000

Method 2: Monthly Payment under QRMP Scheme



- ❑ The above method is not applicable for taxpayers who have not filed return for complete month or quarter (i.e. from 1st day of month or quarter till last day) for preceding tax period
- ❑ For example, if GST registration taken in mid of the Quarter/Month, then GST return month/quarter is not a complete, hence, the above method cannot be adopted

QRMP Scheme- Method 2: Estimated Basis

Scenario 1: Previous Tax Period was monthly i.e. GSTR-3B for Dec 20 filed on a monthly basis

Sr No.	Particulars	Dec 20	Jan-Mar 21
	Taxable Turnover	200000	1200000
	IGST@18%	36000	216000
	ITC	20000	120000
A	Cash Liability-Actual	26000	96000
B	Monthly Challan payment for Jan 21 @ 100% of Tax paid in Dec 20		26000
C	Monthly Challan payment for Feb 21 @ 100% of Tax paid in Dec 20		26000
D(A-B-C)	Balance Payment in GSTR-3B for Jan to Mar 21		44000

QRMP Scheme- Method 2: Estimated Basis

Scenario 2: Previous Tax Period was quarterly i.e. GSTR-3B filed for Oct to Dec 20 filed on a quarterly basis

Sr No.	Particulars	Oct-Dec 20	Jan-Mar 21
	Taxable Turnover	800000	1200000
	IGST@18%	144000	216000
	ITC	80000	120000
A	Cash Liability-Actual	64000	96000
B	Monthly Challan payment for Jan 21 @35% of Tax paid in Oct-Dec 20		22400
C	Monthly Challan payment for Feb 21 @35% of Tax paid in Oct-Dec 20		22400
D(A-B-C)	Balance Payment in GSTR-3B for Jan to Mar 21		51200

QRMP Scheme- Key Points

FAQ	Answer
Whether Scheme can be availed GSTIN wise ?	Yes. Let's say taxpayer having 2 GSTINs, he can choose to opt under the Scheme for one GSTIN and remain under Monthly Scheme for second GSTIN subject to eligibility
Whether the payment in first two months will remain in Cash Ledger or set-off by filing any return ?	The payment deposited on a monthly basis for first two months will remain in Cash ledger and cannot be used. The same will be set-off while filing GSTR-3B for entire quarter.
Mode of Payment	By a Challan by choosing 'Monthly payment for quarterly taxpayer'
Whether same method to be followed for both months or entire Financial year	No. Either of two methods can be adopted for any month in a quarter or any quarter in a F.Y.. For example, different methods can be adopted for January and February

QRMP Scheme- Key Points

FAQ	Answer
Due date to make payment in Cash Ledger	By 25 th of next month
What would happen to shortfall or excess payment in first two months	The same can be adjusted while filing GSTR-3B for entire quarter. Any excess payment can be claimed as refund only after filing of GSTR-3B for the quarter. Deposit under the Scheme cannot be used for any other purposes.
Whether any Late fee for delay in payment in first two months	No Late fee as there is no requirement to file return for first two months of each quarter. Late fee applicable for delay in filing of Quarterly GSTR-1 and 3B However, Interest @18% p.a. applicable

Opting and Opting out- QRMP Scheme

When can be opted ?

- Throughout the Financial year between 1st day of second month of preceding quarter to the last day of the first month of the quarter
- Say, to avail the scheme from July to September onwards, option can be exercised from 1st of May to 31st of July and likewise.
- Once opted, it will continue, unless opted out

Conditions for Opt-in

- Any previous GST returns due should have been filed before opting in for the Scheme

Default Opt-in

- For first quarter of New Scheme January 2021 to March 2021, eligible taxpayers default migrated to New Scheme by GST Portal as per certain criteria

Opting out

- Either on a voluntary basis anytime
- Mandatory If the Aggregate turnover exceeds Rs. 5 Crores during the current Financial year
- Once opted out monthly filing of GSTR-1 and GSTR-3B from next quarter

Criteria for Default Transition to QRMP Scheme

Sl. No.	Class of registered person	Default Option
1	Registered persons having aggregate turnover of up to 1.5 crore rupees who have furnished FORM GSTR-1 on quarterly basis in the current financial year	Quarterly return
2	Registered persons having aggregate turnover of up to 1.5 crore rupees who have furnished FORM GSTR-1 on monthly basis in the current financial year	Monthly Return
3	Registered persons having aggregate turnover more than 1.5 crore rupees and up to 5 crore rupees in the preceding financial	Quarterly return

Above default option can be changed by the taxpayer on GST portal from
05.12.2020 to 31.01.2021

QRMP Scheme- Invoice Furnishing Facility (IFF)

Why IFF ?

- ❑ The Invoices of the Taxpayers opting for the Scheme shall appear in GSTR-2A and 2B of the recipient after end of the quarter whereas monthly recipient will claim ITC in GSTR-3B on a monthly basis, thereby mismatch of ITC in 3B vs. 2A/2B

What is IFF ?

- ❑ To ensure monthly reflecting of ITC in GSTR-2A and 2B of monthly recipient, a separate optional facility for furnishing B2B invoices/Debit Notes/Credit Notes during first two months of Quarter has been provided through Invoice Furnishing Facility (IFF)
- ❑ The cumulative value of supplies of such documents cannot exceed INR 50 lacs for each moth.
- ❑ The IFF shall be available for first two months of the quarter between 1st to 13th of the succeeding month

QRMP Scheme- Invoice Furnishing Facility (IFF)

Whether details reported in IFF will be reported in GSTR-1 again ?

- Invoices furnished through IFF shall not be required to be furnished again in GSTR-1 of the quarter.
- This means Recipient will get ITC in GSTR-2A /2B from IFF as well as from GSTR-1

Whether IFF is mandatory or options ?

- The above facility is optional and can be availed to upload Invoices of the customer on a monthly basis, if insisted by Suppliers for first two months.
- If the facility is not availed, then the B2B details can be reported on a quarterly basis in GSTR-1

QRMP Scheme- Compliance Calender for next 3 months

Period	GST Payment	GSTR-1	GSTR-3B	IFF(Optional)
Jan 2021	25 th Feb 2021	-	-	13 th Feb 2021
Feb 2021	25 th Mar 2021	-	-	13 th March 2021
March 2021	22 nd /24 th April 2021	13 th April 2021	22 nd /24 th April 2021	Not available

Event	Due Date
Change from Default Migration in Scheme to Old Monthly Scheme	31 st January 2021
Opting for Scheme for April to June 2021 onward if under Monthly Scheme for Jan to March 2021	Between 1 st February to 30 th April 2021

Thank you

