

# SCV ALERT

TAX ADVISORY  
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## Advisory on ‘Quarterly Returns with Monthly Payment Scheme’



The Government has notified a Quarterly Return Monthly Payment Scheme (QRMP) allowing a registered person having aggregate turnover upto INR 5 crore rupees to furnish return on a quarterly basis along with monthly payment of tax. The said scheme will be effective from January 01, 2021.

Recently, an advisory on the QRMP scheme has been released by the CBIC, which is reproduced for ease of reference:

## **A. Eligibility and Opting for the scheme**

### **1. What is “Quarterly Returns with Monthly Payment (QRMP)” Scheme?**

QRMP scheme is for small taxpayers to file their FORM GSTR-1 and FORM GSTR-3B returns on **quarterly** basis while paying their tax dues **monthly** through a simple challan.

### **2. Is this scheme available to everyone?**

No. This scheme is available only to those who are liable to file FORM GSTR-1 and FORM GSTR-3B returns. This is not applicable to the taxpayers those are filing returns under composition scheme, TDS/TCS deductors, Job workers, Non-Resident foreign Tax payer, Input Service distributor & E-Commerce Operators those are not filing GSTR-1 & GSTR-3B.

### **3. Am I eligible for the scheme?**

All taxpayers whose aggregate turnover is up to Rs. 5 Crore in the current and preceding financial year and have filed their last due GSTR-3B return are eligible for this scheme.

### **4. How do I avail this scheme?**

Taxpayers can opt in (avail) the scheme and opt out (exit) if they don't wish to continue quarterly filing by navigating to [www.gst.gov.in](http://www.gst.gov.in) Login-> Services -> Returns -> Opt-in for quarterly return.

## 5. Can I avail the scheme at any time?

You can opt in or opt out of the scheme as follows:-

<b>Quarter</b>	<b>Between</b>
Q1 (April –May - June)	1 <sup>st</sup> February to 30 <sup>th</sup> April
Q2 (July – August – September)	1 <sup>st</sup> May to 31 <sup>st</sup> July
Q3 (October – November – December)	1 <sup>st</sup> August to 31 <sup>st</sup> October
Q4 (January – February – March)	1 <sup>st</sup> November to 31 <sup>st</sup> January

## 6. Do I need to enter the scheme every quarter to avail its benefit?

No, once opted in, the scheme will continue for you, unless you decide to exit or opt out.

## 7. My aggregate turnover is less than Rs.5Cr, but still the system does not allow me to opt in for the scheme?

Please check if you have filed your last FORM GSTR-3B. For more details on the turnover, please visit [www.gst.gov.in](http://www.gst.gov.in). If you want to get your turnover updated, please lodge your grievance at <https://selfservice.gstsystem.in>.

## 8. I have multiple GSTINs on the same PAN in different States, can I opt in for different frequency in different States?

Yes, you may opt in for different frequencies (monthly or quarterly) in different States.

## 9. From when is the scheme available?

The scheme will be made available from 1<sup>st</sup> January 2021 onwards. You may opt in any time after **5<sup>th</sup> December 2020**.

## B. System defaulting

## 10. I have received an email, saying I have been defaulted to the scheme. What should I do?

If your aggregate turnover for FY 2019-20 is up to Rs. 5 Crore and you have filed your FORM GSTR- 3B for the month of October 2020 by 30<sup>th</sup> November 2020, you may be defaulted to the scheme by the system. If you wish to remain in the scheme, then you

may not take any action and file your returns by the due date in April 2021. However, if you wish to exit the scheme you may do so by 31<sup>st</sup> January 2021.

**11. I am eligible for the scheme but was not defaulted to the scheme. What should I do?**

You may enter the scheme by navigating [www.gst.gov.in](http://www.gst.gov.in) Login-> Services -> Returns -> Opt-in for quarterly return.

**C. Actions required for first two months of the quarter**

**12. Do I have to do anything in the first two months of the quarter?**

Yes, you have to generate a payment challan for the first two months of the quarter (Refer point No 13 for due date). You have an option to either self-assess your liability or pay 35% of cash liability paid in the FORM GSTR-3B for the last quarter (in case of where GSTR 3B was filed quarterly) or 100% of the cash liability paid in the FORM GSTR-3B for the last month (in case where FORM GSTR-3B was filed monthly) through a challan. However, you **do not have to take any action** in the following cases: -

- a) Aggregate balance in your electronic cash ledger and electronic credit ledger is greater than liability for that month.
- b) You have No or Nil liability for that month.

**13. By when do I have to deposit such amount?**

Generally, Challan is to be generated by the 25<sup>th</sup> of the next month. For example, for the month of January challan has to be generated by 25<sup>th</sup> of February. However, there may be instances where such date may be extended by the Government.

**14. What is self-assessment of liability?**

Self-assessment of liability means that you calculate your taxes for a month by ascertaining outward supplies made during the month and your available input tax credit. A challan may be generated for the amount of self-assessed liability. Please note that while generating this challan, please choose -> “Monthly Payment for Quarterly Returns” as the reason for making such payment.

**15. How do I generate a challan?**

To view detailed instruction on generating of challan. Visit- <https://www.gst.gov.in/help/payments>

**16. If I have deposited cash in the first month, can the same be accounted for adequate cash in the cash ledger for the second month?**

NO. It may be noted that cash deposited in the first month against your liability for the first month cannot be considered for balance for your electronic cash ledger for the second month. The action to be taken in the second month should be considered based on the balance in cash ledger after the deposit made for the first month.

**17. What is 35% option?**

If you do not want to pay self-assessed tax, then you may simply deposit 35% of net cash paid by you in your last quarterly GSTR-3B filed or 100% of the net cash paid in your last monthly FORM GSTR- 3B (whichever is applicable). Please note that while generating this challan, please choose -> “Monthly Payment for Quarterly Returns (35%)” as the reason for making such payment.

This will be an auto-calculated system generated challan and no calculation / assessment has to be done by you. Taxpayers may note that no interest would be payable in case the tax due is paid in the first two months of the quarter by way of depositing auto-calculated system generated challan as detailed in by the 25<sup>th</sup> of the succeeding month.

**18. At some places, I see 100% auto-population instead of 35%, why is that?**

If your last FORM GSTR-3B filed was for a complete quarter, then the system will generate 35% of your last quarter’s net cash paid. However, if your last FORM GSTR-3B filed was for a one complete month, then the system will generate 100% of your last month’s net cash paid. You need not worry for this, as this is a completely system generated process.

**19. Is everyone allowed to file self-assessment and 35% challan?**

Self-assessment can be done by all quarterly taxpayers. However, 35% challan will not be made available for the following persons:

- New taxpayers,
- Taxpayers who have opted out of the composition scheme, and
- Those who have not filed their last FORM GSTR-3B.

**20. Is it mandatory for exercising the same option for both the months?**

No, you may choose self-assessment or 35% as per your own choice for any of the months.

**21. Is there any late fee for delayed payment of tax for any of the first two months?**

No, there is no late fee for delayed payment of tax for any of the first two months.

**22. How do I view my challan history?**

Challan history can be found after logging to GST Portal and navigating to Services -> Payments -> Challan History.

**23. Can I request for a cash ledger refund of any amount deposited in month M1 and M2?**

No, Cash ledger refund under this scheme will only be allowed after the FORM GSTR-3B for that quarter has been filed. For example, if any amount has been deposited for the month of January, it will only be allowed for refund, once FORM GSTR-3B for the quarter ending March has been filed.

**24. Can I utilize amount deposited in month M1 and M2 for any other purpose?**

No, you cannot utilize these amounts for any other purpose, before filing FORM GSTR-3B for the quarter in which such deposits have been made. After filing FORM GSTR-3B, such cash may be used for other purposes also.

**D. Details on viewing GSTR-2A and 2B**

**25. I am a quarterly taxpayer; will I see my GSTR-2A and 2B also quarterly now?**

GSTR-2A and GSTR-2B will be continued to be made available every month. A GSTR-2B's quarterly view will also be made available. This will be made available under the return tab for the third month of the quarter. However, there will be no quarterly view of GSTR-2A.

**E. Actions required for the last month of the quarter.**

**26. Do I have to do anything in the last month of the quarter?**

Yes, you have to file your FORM GSTR-1 and FORM GSTR-3B for the quarter. For example, for the quarter Jan-Mar, you have to file your FORM GSTR-1 and FORM GSTR-3B for the month of March.

**27. While filing FORM GSTR-3B, is there a way to view the deposits made by me in month M1 and M2?**

Yes, a separate tab displaying the cash challans generated for this purpose will be displayed on the FORM GSTR-3B payment page.

**28. What will be the last date for filing of FORM GSTR-3B and FORM GSTR-1 for the quarter?**

Generally, the last date of filing of GSTR-1 for the quarter will be 13<sup>th</sup> of the month succeeding such quarter. For example, for the quarter of Jan-March, the last date of GSTR-1 would be 13<sup>th</sup> of April.

Generally, the last date of filing of FORM GSTR-3B for the quarter will be as given in table below. For example, for the quarter Jan-March, for a taxpayer whose principal place of business is Gujarat, the last date of GSTR-3B would be 22 of April.

<b>S. No.</b>	<b>Class of registered persons</b>	<b>Due Date</b>
1.	Registered persons 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,	22 <sup>nd</sup> of the month succeeding such quarter
2.	Registered persons 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	24 <sup>th</sup> of the month succeeding such quarter.

Taxpayers are advised to check updated notifications etc. for change in dates.

**29. What about late fee on delayed filing of FORM GSTR-3B and GSTR-1 for the quarter?**

Late fee is applicable to delayed filing of such returns.

**F. Optional Invoice Furnishing Facility**

**30. What is invoice furnishing facility (IFF)?**

An additional facility has been provided to taxpayers to file their invoices in month M1 and M2. The facility will be similar to FORM GSTR-1 but will allow filing for only B2B invoices, credit notes, debit notes etc.

**31. Do I need to compulsorily file my invoices in M1 and M2 of every quarter in the IFF?**

No, this is an **optional** facility.

**32. Will this option be available every month?**

Yes, this option will be available for month M1 and M2 for every quarter. The option to file such invoices will also expire by the 13<sup>TH</sup> of the next month. For example, the facility for the month of January will expire by 13<sup>TH</sup> of February.

**33. Can I late file my invoices after the 13<sup>TH</sup> of the month?**

No, this option will close after the 13<sup>TH</sup> of the month. Any invoices remaining may be filed using the IFF of the subsequent month or in the quarterly GSTR-1.

**34. Will my recipient view these invoices in his GSTR-2A / 2B?**

Yes, all invoices filed by you via the invoice furnishing facility will be displayed in GSTR-2A and GSTR- 2B of the recipient.

**35. Do I have to re-enter the details entered through invoice furnishing facility in the GSTR-1 for the quarter?**

No, once details have been filed in IFF, the same need not be filed again in GSTR-1 for the quarter.



## **G. Miscellaneous**

### **36. Can quarterly filers file Nil return through SMS?**

Yes, Quarterly taxpayers may send the following SMS to 14409 to file a Nil GSTR-1 or Nil FORM GSTR-3B

- a. NIL 3B GSTINMMYYYY
- b. NIL R1 GSTINMMYYYY
- c. MM should be the last month of the quarter for which the return is being filed. For example, for the month of June 2020, taxpayer shall send NIL 3B XXXXXXXXXXXXXXXXXXXX 062020 to 14409.
- d. For more details on Nil filing by SMS.

### **37. Will refund be allowed for quarterly filers?**

Yes, quarterly taxpayers may apply for refunds after filing their FORM GSTR-3B for the quarter.

### SCV's TAKE AWAY

This scheme is beneficial to small taxpayers and it will reduce compliance burden of filing monthly returns. It will also help to improve the monthly cash inflow of the taxpayer due to options available for discharge of tax dues i.e 35% of tax liability to be discharged monthly basis in case of quarterly return and 100% of tax liability of last month to be discharged for monthly return cases. The taxpayer can opt for the scheme as per his/her own choice for each GSTIN. However, this scheme is not applicable for taxpayers those are not liable to file GSTR-1& GSTR-3B i.e taxpayers those who are filing returns under composition scheme, TDS/TCS deductors, Job workers, Non-Resident foreign tax payer, Input Service distributors & E-commerce operators. The taxpayer is required to keep track of payment made in each month and also keep a reconciliation for self-assessment of tax liability. One of the conditions to opt in for the scheme is that the turnover of the taxpayer for the current and preceding year should be less than Rs 5 crores. This condition should ideally have been linked to the preceding year's turnover as in some cases it would not be possible for the taxpayer to estimate the current year turnover at the start of the year. The taxpayers should therefore carefully evaluate the scheme before opting in the said scheme.

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