



# **Quarterly Return and Monthly Payment ('QRMP')**

# *Understanding the ‘Q’ of QRMP!*

- A Scheme – Optional
- For TP whose aggregate turnover is below 5crore in PFY.
- File GSTR 1 and GSTR 3B on Quarterly
- Pay tax monthly via a refined PMT 06 (Challan)
- In the month of Jan 21, GSTN automatically migrated various GSTINs to this scheme based on their turnover as declared in GSTR 3B.
- **Fun Fact:** Upon questioning the CBIC why automatic migration they answered that it was on the anticipated behavioural pattern of the TP. What if laws are drafted on such ‘anticipated behaviour’?

# *When to opt for this scheme?*

- Facility to opt available through out the year. No need to opt for every month, unless the TO criteria is breached.
- 1<sup>st</sup> day of the second month of preceding quarter to the last day of the first month of the quarter

In simple words, Say for April 2021 to June 2021 (Q1).

Period Start	Period End
Preceding Quarter (Q4) : Jan – March 21	Current Quarter (Q1): April – June 2021
Second month of Q4: February 2021	First Month: April 2021
First day : 01.02.2021	Last day: 30.04.2021

# *How does the scheme operate?*

- File GSTR 1 quarterly by 13<sup>th</sup> of the next month
- File GSTR 3B quarterly by 22<sup>nd</sup> or 24<sup>th</sup> of the next month
- Pay tax @ 35% for each month (only 2 months out of 3 months in a quarter) by 25<sup>th</sup> of the following month.
- Furnish B2B invoices via Invoice Furnishing Facility ('IFF') module on the GSTN by 13<sup>th</sup> of the following month - only 2 months out of 3 months in a quarter. For last month it is to be done in GSTR 1. *It is optional and to be done only in case of passing of credit to the buyer. Invoice can only be uploaded upto a limit of 50 lacs in value.*

# ***Tax Payment - Procedure***

The scheme has provided for 2 options to pay the tax.

- a) **Fixed Sum Method:** Pay 35% of the net tax liability based on system computed pre-filled challan. This data is considered from the GSTR-3B last filed (Monthly/ Quarterly) in which cash payment has been made. No interest in case at the time of filing of GSTR 3B the tax payable is in excess to the sum already deposited.
- b) **Self – Assessment Method:** Pay 100% of the tax after considering the ITC available, same as earlier practice. Interest shall become payable incase at the time of filing of GSTR 3B the tax payable is in excess of the sum already deposited.

## *What about monthly filers?*

- For TP who did not opt for the scheme, they need to file monthly GSTR 1 and GSTR 3B as per earlier practice.

GSTR 1: By 11<sup>th</sup> of the next month

GSTR 3B: By 20<sup>th</sup> of the next month

Payment of tax: At the time of filing of GSTR 3B

# *How to pay tax under RCM if scheme is opted?*

- Herein a TP can take two approach: 1) Fixed sum method 2) Self-Assessment basis
- If say, in the December 2020 (GSTR 3B filed monthly) the Tax paid in cash is 1,50,000 (80,000 for Outward Supply and 70,000 under RCM), then the GSTN shall compute 35% of 1,50,000 which is 52,500 which is payable. However, if the TP finds that his actual tax liability is less than 52,500 or there is no RCM for the given month then he may pay tax under self-assessment basis.

# ***QRMP – Personal Opinion***

- Too many dates to remember: 11<sup>th</sup>, 13<sup>th</sup>, 22<sup>nd</sup>, 24<sup>th</sup>, 25<sup>th</sup>, 30<sup>th</sup>
- Calculation of tax liability – No change (ITC Mishap)
- Only delayed filing of GSTR 3B
- Change of opinion w.r.t Electronic cash ledger
- Fixed Sum method or Self Assessment – Subjective
- Change of approach w.r.t to compliance: Reconciliation > Filing



# *Issues in QRMP*

- Blockage of ITC for 2 months if the supplier does not upload B2B invoice in IFF. As a result, no business with the Quarterly return filers by large tax payers.
- Previous month CGST & SGST was the tax liability, but in the current month IGST is payable. How to go about with fixed sum method?  
Advice: Opt for self assessment basis.
- Non-payment of PMT 06: More litigation
- Pay tax monthly, claim ITC quarterly

## ***Sources:***

- Notification No.81/2020 – Central Tax dated 10.11.2020 : Seeks to notify amendment in section 39 (1),(2) and (7) of the CGST Act, 2017
- Notification No. 82/2020 – Central Tax dated 10.11.2020: Seeks to make 13<sup>th</sup> Amendment to CGST Rules, 2017
- Notification No. 84/2020 – Central Tax dated 10.11.2020: Seeks to notify class of person under proviso to section 39(1) of the CGST Act
- Notification No. 85/2020 – Central Tax dated 10.11.2020: Seeks to notify special procedure for making payment of tax liability in the first 2 months of a quarter
- Circular No. 143/13/2020 – GST dated 10.11.2020: Scheme narrated in simple words.



**THANK YOU**

A presentation by  
Saim Aziz