

QRMP SCHEME- A STEP TOWARDS EASE OF DOING BUSINESS

-Hitesh Parmar & co
Chartered Accountants

LEGISLATIVE AMENDMENTS MADE TO ALLOW QUARTERLY RETURNS

- 1. Notification no 81/2020: Amendment in subsection (1), (2) and (7) of section 39 of CGST Act, 2017.
- 2. To be effective from 10th November 2020
- 3. Old provisions of section 39:
 - **Subsection 1:**
 - It requires a registered persons to furnish a return for every calendar month to be furnished before 20th of the succeeding month.
 - **Subsection 2:**
 - Composition dealers are required to furnish a return for every quarter to be furnished within 18th of succeeding month after the quarter

LEGISLATIVE AMENDMENTS MADE TO ALLOW QUARTERLY RETURNS

- I. New provisions of section 39(section 97 of finance act 2019) :
- **Subsection 1:**
- It requires a registered persons to furnish a return for every calendar month to be furnished before time to be prescribed.
- Proviso inserted: Certain class of registered persons allowed to furnish a return for every quarter subject to conditions & restrictions
- **Subsection 2:**
- Composition dealers are required to furnish a return for every financial year to be furnished before time to be prescribed.

CHANGES MADE TO ALLOW MONTHLY PAYMENTS WITHOUT FURNISHING RETURNS

- I. Old provisions of section 39:
- **Old Subsection 7:**
- It requires to pay the tax due as per the return not later than last date of furnishing return.
- **New subsection 7:**
- It requires to pay the tax due as per the return not later than last date of furnishing return.
- The persons notified under the proviso to subsection I are required to pay tax taking into consideration outward & inward supplies every month.
- Composition suppliers are required to pay tax taking into consideration outward supplies during the quarter.

ELIGIBLE PERSONS

- 1. Notification no 84/2020: Notifies class of persons under proviso to section 39(1).
- 2. Notified class of persons are: Registered persons other than person referred to in section 14 of IGST Act, 2017, having aggregate turnover of up to 5 Crores in the PY
- 3. Turnover to be seen GSTIN wise & not PAN Wise (Clarified through circular no 143/13/2020- GST dated 10th Nov 2020)
- 4. Turnover shall be calculated in the common portal taking into account the details furnished in the returns.

IFF- INVOICE FURNISHING FACILITY

- Subsequent changes in GSTR 1:
- 1. IFF (Invoice Furnishing facility) provided to the persons who are eligible to QRMP Scheme.
- 2. For the 1st & 2nd months of every quarter, such a person will have the facility (IFF) to furnish details of outward supplies to a registered person between 1st and 13th of the succeeding month. However said details of such outward supplies shall not exceed 50 lakhs.
- 3. Such invoices shall then be available to the buyer in their GSTR 2A/GSTR 2B respectively.

HOW TO PAY GST

- I. Two options provided to pay the tax:
 - i. Fixed sum method: 35% of tax paid in cash in the preceding quarter or tax paid in cash in the last month of the preceding quarter where return was furnished monthly
 - ii. Self-Assessment method: Paying the tax due after taking into consideration outward supplies, inward supplies, and taking into account GSTR 2B
 - iii. Registered person is free to avail either of the two tax payment method in any of the two months of the quarter
 - iv. If there is balance in the credit ledger/cash ledger, then that balance can be used to determine the quantum of payment

APPLICABILITY OF INTEREST & LATE FEES

- **Applicability of interest:**
 - 1. When Reg. persons opt for payment of tax under fixed sum method: No short payment interest shall be leviable
 - 2. When Reg. persons opt for payment of tax under Self-Assessment method: Short payment interest shall be leviable as per the provisions of section 50 of the CGST Act.
- **Applicability of late fees:**
 - 1. Late fees is applicable for delay in furnishing of return u/s 39 or details of outward supplies u/s 37 as per the applicable provisions of the CGST Act, 2017.
 - 2. Late fees shall be calculated as per the provisions laid down in section 47 of the CGST Act, 2017.

THANK-YOU

- Reach out for any query at:
- 1. info@hiteshparmarandco.com
- Or
- 2. +91-9579983982