Indirect Tax Update

Summary of Notifications and circular issued on 10th November'2020

Key Highlights:

- ✓ Extension of Due Dates
- ✓ Insertion of new rules
- ✓ QRMP Scheme
- ✓ Extension of time limit to file ITC-04
- ✓ Extension of applicability of E invoicing

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1. Notifying the effective date of section 97 of Finance Act, 2019

(Notification No. 81/2020- Central Tax dated 10th November 2020)

The amendment to Section 39 of the CGST Act by the Finance Act (No. 2), 2019 has been made effective from 10th November, 2020. The amended provision provides for the composition taxpayers to furnish annual return along with quarterly payment of taxes. The amended provision also enables to notify specified taxpayers who can opt for furnishing quarterly returns or monthly returns and manner of payment of taxes under the proposed new return system.

H&A Comments:

The provisions amended by the Finance Act may provide for subsequently notifying the effective date of such amendment. However, notifying such effective dates after a year so will create confusion and creates hardship to the taxpayers. The government should stop amending the provision without notifying the date of its operation.

2. Amendments to CGST Rules'2017

(Notification No. 82/2020- Central Tax dated 10th November 2020)

1. **Substitution of Rule 59 - Form and manner of furnishing details of outward supplies in Form GSTR 1 w.e.f. 01st January'2021:**
   a. A new Invoice Furnishing Facility (IFF) has been introduced for quarterly return filers to furnish the details of invoices, debit notes and credit notes issued to registered persons for each of the first two month of the quarter, between the 1st and 13th of the succeeding month.
   b. The details furnished using the IFF, shall not be furnished again in FORM GSTR-1 for that quarter.
   c. Other details to be furnished in Form GSTR 1 remains the same as it is there currently.

H&A Comments:

The newly introduced invoice furnishing facility (IFF) shall enable the recipients to avail the input tax credit on monthly basis on the invoices issued by the suppliers who file their quarterly return in GSTR 3B. This will reduce the cash outflow burden for taxpayer filing monthly return by reducing the outward liability to be paid in cash since they would be eligible to avail the ITC of suppliers filing quarterly return as the invoice would be appearing in their GSTR-2A.

2. **Substitution of Rule 60- form and manner of furnishing details of inward supplies w.e.f. 01st January'2021**

   The provisions of rule 60 provides for the details and the manner of information made available in GSTR 2A and GSTR 2B. The amended rule provides as under;

   a. The details of outward supplies furnished in GSTR-1 or in invoice furnishing facility (IFF) would be reflected in Part A of GSTR-2A to regular taxpayer, in GSTR-4A to composition tax payer and in GSTR-6A to Input service distributor.
   b. The details of invoices furnished by Non-resident taxable person (NRTP) in his GSTR-5 would be reflected in Part A of GSTR-2A to regular taxpayer.
   c. The details of invoices furnished by Input service distributor (ISD) in his GSTR-6 would be reflected in Part B of GSTR-2A to regular taxpayer.
   d. The details of tax deducted furnished by deductor in his GSTR-7 would be reflected in Part C of GSTR-2A to regular taxpayer.
   e. The details of tax collected furnished by e-commerce operator in his GSTR-8 would be reflected in Part C of GSTR-2A to regular taxpayer.
   f. The details of IGST paid on imports (import of goods, SEZ to DTA) would be reflected in Part D of GSTR-2A to regular taxpayer.
   g. Form GSTR-2B would be made available to registered persons which shall consists of
      i. Details of outward supplies furnished in GSTR-1.
      ii. Details furnished by NRTP and ISD in GSTR-5 and GSTR-6 respectively and also the details of outward supplies who file return for the quarter under proviso to 39(1) or using IFF.
      iii. The details of IGST paid on imports (import of goods, SEZ to DTA) would be reflected.
   h. GSTR-2B would be made available to registered person -
      i. In the first and second month of the quarter, it is reflected after the due date of GSTR-1 or IFF, whichever is later.
      ii. In the 3rd month of the quarter, it is reflected after the due date of GSTR-1.

H&A Comments:

By substituting the existing rules 59 and 60 with effective from 1st January'2021, the provisions related to filing of details of inward supplies in GSTR 2 has been done away with. The existing rule 60 which provided for form and manner of 'furnishing' the details of inward supplies has been substituted for form and manner of 'ascertaining' details of inward supplies. GSTR-2A is dynamic form which updates on real time basis and GSTR-2B is static summary. These forms will help the recipient to reconcile the eligible input tax credit in an effective manner.

3. Amendment to Rule 61

Sub-rule (6) has been inserted with effect from 10th November'2020 to provide for staggered due dates for furnishing the return in GSTR 3B as under.

Due dates for filing GSTR 3B – October'20 to March'21	
Class of Registered Persons	**Due Date**
Taxpayers having an aggregate turnover more than Rs. 5 crores in the preceding FY.	20th of succeeding month
Taxpayers having aggregate turnover up to Rs. 5 crores in the preceding FY and the principal place of business is- i) 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.	22nd of succeeding quarter
ii) 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.	24th day of succeeding quarter

H&A Comments:

The due date for filing GSTR 3B is based on the turnover in the preceding financial year and also the principal place of business. The taxpayers whose aggregate turnover in the preceding financial year has not exceeded Rs. 5 crore has to decide whether to file monthly return or quarterly return. The staggered due dates for filing the return will help the portal to take the load as well as it helps the professionals to meet the due date.

4. **Substitution of Rule 61 w.e.f. 01st January '2021**

   The rule 61 has been substituted with effect from 01st January 2021. The newly substituted rule 61 has replaced GSTR 3 with GSTR 3B finally. Further, it prescribes the manner in which the return in GSTR 3B is to be filed, the staggered due dates of filing the return in GSTR 3B. The new rule also provides for the manner of discharge of tax liability by monthly and quarterly return filers.

   H&A Comments:

   It appears that the debate of whether the GSTR 3B is return or not is sought to be put to rest by totally replacing GSTR 3 with GSTR 3B in the newly substituted rule 61. This shall have a far-reaching implication on issues like due date for availing input tax credit etc which are connected to the due date of filing the return.

5. **Insertion of rule 61A**

   The newly inserted rule provides for the manner of opting for furnishing quarterly return as under;

   a. Every registered person intending to furnish return on a quarterly basis shall indicate his preference for furnishing of return on a quarterly basis, electronically, on the common portal, from the 1st day of the second month of the preceding quarter till the last day of the first month of the quarter for which the option is being exercised.
   b. Once such option has been exercised, the said registered person shall continue to furnish the return on a quarterly basis for future tax periods, unless the said registered person– (i) becomes ineligible for furnishing the return on a quarterly basis; or (ii) opts for furnishing of return on a monthly basis.
   c. A registered person shall not be eligible to opt for furnishing quarterly return in case the last return due on the date of exercising such option has not been furnished.

d. A registered person, whose aggregate turnover exceeds Rs.5 crore during the current financial year, shall opt for furnishing of return on a monthly basis, from the first month of the quarter, succeeding the quarter during which his aggregate turnover exceeds Rs.5 crore.

H&A Comments:

Since the facility of filing the quarterly return has been extended to the taxpayers with turnover up to Rs. 5 crores in the preceding financial year, more number of taxpayers can now file quarterly return without affecting the manner of availing the input tax credit by the recipient.

6. **Addition of Instruction to Form GSTR 1:**

A new instruction No. 18 has been inserted to the instruction to Form GSTR 1 clarifying that it will be mandatory to specify the number of digits of HSN code for goods or services that a class of registered persons shall be required to mention as may be specified in the notification issued from time to time under proviso to rule 46 of the said rules.

H&A Comments:

The Notification No. 78/2020 – Central Tax dated 15.10.2020 has made mandatory, from 1st April 2021, for the registered persons to mention 4 digits HSN code in case aggregate turnover in preceding financial year is less than or equal to Rs.5 crores and 6 digits HSN code in case aggregate turnover in preceding financial year is more than Rs. 5 crores. Though this increases the compliance burden for the small taxpayers initially, it is helpful, for compiling the information for annual return as well as to the recipients.

3. Notifications extending the Due Dates of GSTR-1

(Notification No. 83/2020- Central Tax dated 10thNovember 2020)

The Notification 74/2020 – Central Tax and Notification 75/2020 – Central Tax, both dated 15th October'2020 have extended due dates for fling of Form GSTR-1 for the period October 2020 to March 2021 by quarterly filers and monthly filers, respectively. In suppression of these notifications w.e.f. 1st January'2021, the Notification 83/2020 – Central Tax extended the due dates for filing of Form GSTR-1 as under;

Due dates for filing GSTR 1	
Class of Registered Persons	Due date
Taxpayers having an aggregate turnover of up to Rs. 5 crores in the preceding FY who have opted for quarterly return Filing in Form GSTR 3B	13th of the month succeeding the quarter.
Taxpayers having an aggregate turnover of more than Rs. 5 crores in the preceding FY	11th of the succeeding month.

H&A Comments:

The government has extended the due date for filing of Form GSTR 1 in staggered manner. This will enable the portal to handle the load.

4. The option for filing quarterly returns with monthly payment

(Notification No. 84/2020- Central Tax dated 10thNovember 2020)

A registered person can opt for filing return on quarterly basis and paying tax on monthly basis w.e. f 1st January 2021, subject to the following conditions:

a. The aggregate turnover should not exceed Rs. 5 crores in the previous financial year.
b. The return for the preceding month, as due on the date of exercising such option, has been furnished.
c. Once the option has been exercised it shall continue for the future tax periods till the option is revised.
d. A registered person whose aggregate turnover exceeds Rs. 5 crores during a quarter in a financial year shall not be eligible for furnishing of return on quarterly basis from the first month of the succeeding quarter.

The registered person who have furnished the return for the tax period October, 2020 on or before 30th November, 2020, it shall be deemed that they have opted for the monthly or quarterly furnishing of return as mentioned below;

Sl. No	Class of registered person	Deemed option
1	Taxpayers filing GSTR-1 on quarterly basis having turnover up to Rs. 1.5 crore in current financial year	Quarterly return
2	Taxpayers filing GSTR-1 on monthly basis having turnover up	Monthly return

Sl. No	Class of registered person	Deemed option
	to Rs. 1.5 crore current financial year	
3	Persons with aggregate turnover greater than 1.5 crore rupees and up to 5 crore rupees in the preceding financial year	Quarterly return

The registered persons may change the above default option electronically, on the common portal, during the period from the 5th day of December, 2020 to the 31st day of January, 2021.

H&A Comments:

The eligible small taxpayers have been given option to file the quarterly return while making the tax payments monthly. This may reduce the compliance burden on the small taxpayers and also enables the portal to handle the load during due dates.

5. Payment of taxes on monthly basis while filing the return quarterly

(Notification No. 85/2020- Central Tax dated 10th November 2020)

a. With effect from 1st January'2021, the taxpayers who have opted to furnish quarterly return, as the class of persons who may, in first month or second month or both months of the quarter, follow the special procedure such that the said persons may pay the tax due by way of making a deposit of an amount in the electronic cash ledger equivalent to;
   - 35% of the tax liability paid by debiting the electronic cash ledger in the return for the preceding quarter where the return is furnished quarterly, or
   - the tax liability paid by debiting the electronic cash ledger in the return for the last month of the immediately preceding quarter where the return is furnished monthly.

b. However, the above-mentioned deposit is not required to be made, where-
   (a) for the first month of the quarter, the balance in the electronic cash ledger or electronic credit ledger is adequate for the tax liability for the said month or where the tax liability is Nil;
   (b) for the second month of the quarter, the balance in the electronic cash ledger or electronic credit ledger is adequate for the cumulative tax liability for the first and the second month of the quarter or where tax liability is Nil.

c. The registered person shall not be eligible for the said special procedure unless he has furnished the return for a complete tax period preceding such month.

H&A Comments:

Where the taxpayer is not eligible for filing the returns as per the above special scheme, he should continue to file GSTR-3B as per the existing return filing scheme.

6. Withdrawal of Notification No 76/2020 – Central Tax

(Notification No. 86/2020- Central Tax dated 10thNovember 2020)

In view of the insertion of new sub-rule (6) in rule 61 which prescribes the staggered due dates for filing the return in GSTR 3B, the Notification No. 76/2020-Central Tax which prescribed the due dates for filing GSTR 3B for the period from October'2020 to March'2021 has been rescinded.

H&A Comments:

As now registered taxpayer having aggregate turnover of up to Rs.5 crores have option to file return in Form GSTR 3B on quarterly basis and the due date of filing the return has been prescribed on staggered manner which will enable the portal to bear the load of filing.

7. Extension of Time limit for furnishing of Form ITC 04 for the period from July'2020 to September'2020

(Notification No. 87/2020- Central Tax dated 10thNovember 2020)

This notification extended the time limit for furnishing Form GST ITC-04, in respect of goods dispatched to a job worker or received from a job worker, during the period from July to September 2020, to 30thNovember'2020.

H&A Comments:

In line with the extension of the due dates for all the compliances under GST, the due date for filing ITC-04 also has been extended.

8. E-Invoice mandatory for taxpayers having turnover more than Rs.100 crores w.e.f. 1st January'2021.

(Notification No. 88/2020- Central Tax dated 10th November 2020)

A registered person, other than an SEZ unit, Insurance Company, banking company, financial institution including non-banking financial institution, GTA, supplier of passenger transportation service, supplier of services by way of admission to exhibition of cinematograph films in multiplex screens, whose aggregate turnover in any preceding financial year from 2017-18 onwards exceeds INR 100 crores would be required to prepare e-invoice and other documents prescribed under rule 48(4) w.e.f. 1stJanuary'2021in respect of supply of goods or services or both to a registered persons or for exports.

H&A Comments:

Presently e-invoicing is mandatory for those specified taxpayers whose aggregate turnover was more than 500 crores in any of the preceding financials years from 2017-18 onwards. Now the government has made mandatory e-invoicing for taxpayer having aggregate turnover more than Rs.100 crores during any preceding financial year from 2017-18 onwards for supply of goods or services or both to a registered person or for exports.

With the e-invoicing implementation date for taxpayers having more than 100 Crore rupees turnover approaching soon, companies may need to relook at their systems processes and IT systems to enable compliance with the new invoicing requirements.

9. Clarification issued On Quarterly Return Monthly Payment Scheme (QRMPS).

Circular No. 143/13/2020- GST dated 10.11.2020

a. Eligibility for the Scheme:

1. This new scheme is applicable from 1st January 2021.
2. A registered person who is required to furnish a return in FORM GSTR-3B and who has an aggregate turnover of up to Rs. 5 crores in the preceding financial year, is eligible for the QRMP Scheme.
3. The aggregate annual turnover for the preceding financial year shall be calculated in the common portal taking into account the details furnished in the returns by the taxpayer for the tax periods in the preceding financial year.
4. However, in case the **aggregate turnover exceeds Rs. 5 crores during any quarter in the current financial year,** the registered person shall not be eligible for the Scheme **from the next quarter**.

b. Exercising option for QRMP Scheme

1. A registered person can opt in for any quarter from 1st day of 2nd month of preceding quarter to the last day of the 1st month of the quarter. In order to

exercise this option, the registered person must have furnished the last return, as due on the date of exercising such option.

For example*: A registered person intending to avail of the Scheme for the quarter 'July to September' can exercise his option during 1st of May to 31st of July.*

If he is exercising his option on 27th July for the quarter (July to September), in such case, he must have furnished the return for the month of June which was due on 22/24th July.

2. Registered persons are not required to exercise the option every quarter. Where such option has been exercised once, they shall **continue to furnish the return as per the selected option** for future tax periods, **unless they revise the said option**.

3. For the first quarter of the Scheme i.e. for the quarter January, 2021 to March, 2021, in order to facilitate the taxpayers, all the registered persons, whose aggregate turnover for the FY 2019-20 is up to 5 crore rupees and who have furnished the return in FORM GSTR-3B for the month of October, 2020 by 30th November, 2020, shall be migrated on the common portal as below. Therefore, taxpayers are advised to furnish the return of October, 2020 in time so as to be eligible for default migration. The taxpayers who have not filed their return for October, 2020 on or before 30th November, 2020 will not be migrated to the Scheme. They will be able to opt for the Scheme once the FORM GSTR-3B as due on the date of exercising option has been filed.

Sl. No	Class of registered person	Deemed option
1	Taxpayers filing GSTR-1 on quarterly basis having turnover up to Rs. 1.5 crore in current financial year	Quarterly return
2	Taxpayers filing GSTR-1 on monthly basis having turnover up to Rs. 1.5 crore current financial year	Monthly return
3	Taxpayers with aggregate turnover greater than Rs 1.5 crore and up to Rs 5 crore in the preceding FY	Quarterly return

However, such registered persons are free to change the option as above, if they so desire, from 5th of December, 2020 to 31st of January, 2021.

4. The facility for opting out of the Scheme for a quarter will be available from 1st day of 2nd month of preceding quarter to the last day of the 1st month of the quarter.
5. All persons who have obtained registration during any quarter or the registered persons opting out from paying tax under Composition Scheme during any quarter shall be able to opt for the Scheme for the quarter for which the opting facility is available on the date of exercising option.
6. It is also clarified that such registered person, whose aggregate turnover crosses Rs.5 crore during a quarter in current financial year, shall opt for furnishing of return on a monthly basis, from the succeeding quarter. In other words, in case the aggregate turnover exceeds 5 crore rupees during any quarter in the current financial year, the registered person shall not be eligible for the Scheme from the next quarter.
7. It is further clarified that the option to avail the QRMP Scheme is GSTIN wise and therefore, distinct persons [say branch offices of a single legal entity having GST registrations in different states] have the option to avail the QRMP Scheme for one or more GSTINs.

c. <u>Furnishing of details of outward supplies under section 37 of the CGST Act</u>

1. For each of the 1st and end months of a quarter, such a registered person will have the Invoice Furnishing Facility (IFF) to furnish the details of such outward supplies **to a registered person** between the 1st day and the 13th day of the succeeding month. The said details of outward supplies shall not exceed the value of Rs. 50 lakhs in each month.
2. It may be noted that after 13th of the month, this facility for furnishing IFF for previous month would not be available. As a facilitation measure, continuous upload of invoices would also be provided for the registered persons wherein they can save the invoices in IFF from the 1st day of the month till 13th day of the succeeding month.
3. The facility of furnishing details of invoices in IFF has been provided so as to allow details of such supplies to be duly reflected in the FORM GSTR-2A and FORM GSTR-2B of the concerned recipient.

   For example, a registered person who has availed the Scheme wants to declare two invoices out of the total ten invoices issued in the first month of quarter since the recipient of supplies covered by those two invoices desires to avail ITC in that month itself. Details of these two invoices may be furnished using IFF. The details of the remaining 8 invoices shall be *furnished in FORM GSTR-1 of the said quarter. The two invoices furnished in IFF shall be reflected in FORM GSTR-2B of the concerned recipient of the first month of the quarter and remaining eight invoices furnished in FORM GSTR-1 shall be reflected in FORM GSTR-2B of the concerned recipient of the last month of the quarter. The said facility would however be available, say for the month of July, from 1st August till 13th August. Similarly, for the month of August, the said facility will be available from 1st September till 13th September.*

4. The said facility is not mandatory and is only an optional facility made available to the registered persons under the QRMP Scheme.
5. The details of invoices furnished using the said facility in the first two months are not required to be furnished again in FORM GSTR-1. Accordingly, the details of outward supplies made by such a registered person during a quarter shall consist of details of invoices furnished using IFF for each of the first two months and the details of invoices furnished in FORM GSTR-1 for the quarter. At his option, a registered person may choose to furnish the details of outward supplies made during a quarter in FORM GSTR-1 only, without using the IFF.

d. Monthly Payment of Tax

1. The registered person under the QRMP Scheme would be required to pay the tax due in each of the first two months of the quarter by depositing the due amount in FORM GST PMT-06, by the 25th day of the month succeeding such month. While generating the challan, taxpayers should select "Monthly payment for quarterly taxpayer" as reason for generating the challan. The said person can use any of the following two options provided below for monthly payment of tax during the first two months –
   (i) **Fixed Sum Method**: A facility is being made available on the portal for generating a pre-filled challan in FORM GST PMT-06 for an amount equal to 35% of the tax paid in cash in the preceding quarter where the return was furnished quarterly; or equal to the tax paid in cash in the last month of the immediately preceding quarter where the return was furnished monthly.

Examples:

1. In case the last return filed was on quarterly basis for Quarter Ending March 2021:

Tax paid in Cash in March, 2021		**Tax required to be paid in each of the months – April and May, 2021**	
CGST	50/-	CGST	50/-
SGST	50/-	SGST	50/-
IGST	80/-	IGST	80/-

2. In case the last return filed was monthly for tax period March, 2021:

Tax paid in Cash in Quarter M **(January- March, 2021)**		**Tax required to be paid in each of the months – April and May, 2021**	
CGST	100/-	CGST	35/-
SGST	100/-	SGST	35/-
IGST	500/-	IGST	17.5/-

Monthly tax payment through this method would not be available to those registered persons who have not furnished the return for a complete tax period preceding such month. A complete tax period means 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

(ii) **Self-Assessment Method:** The said persons, in any case, can pay the tax due by considering the tax liability on inward and outward supplies and the input tax credit available, in FORM GST PMT-06. In order to facilitate ascertainment of the ITC available for the month, an auto-drafted input tax credit statement has been made available in FORM GSTR2B, for every month.

2. It is clarified that in case the balance in the electronic cash ledger and/or electronic credit ledger is adequate for the tax due for the 1st month of the quarter or where there is nil tax liability, the registered person may not deposit any amount for the said month.

3. Similarly, for the 2nd month of the quarter, in case the balance in the electronic cash ledger and/or electronic credit ledger is adequate for the cumulative tax due

for the 1st and the 2nd month of the quarter or where there is nil tax liability, the registered person may not deposit any amount.

4. Any claim of refund in respect of the amount deposited for the first two months of a quarter for payment of tax shall be permitted only after the return in FORM GSTR-3B for the said quarter has been furnished. Further, this deposit cannot be used by the taxpayer for any other purpose till the filing of return for the quarter.

e. Quarterly filing of FORM GSTR-3B

1. Such registered persons would be required to furnish FORM GSTR-3B, for each quarter, on or before 22nd or 24th day of the month succeeding such quarter.
2. The amount deposited by the registered person in the first two months shall be debited solely for the purposes of offsetting the liability furnished in that quarter's FORM GSTR-3B.
3. However, any amount left after filing of that quarter's FORM GSTR-3B may either be claimed as refund or may be used for any other purpose in subsequent quarters.
4. In case of cancellation of registration of such person during any of the first two months of the quarter, he is still required to furnish return in FORM GSTR-3B for the relevant tax period.

f. Applicability of Interest

1. For registered person making payment of tax by opting Fixed Sum Method

a) 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 fixed sum amount by the due date. In other words, if while furnishing return in FORM GSTR-3B, it is found that in any or both of the first two months of the quarter, the tax liability net of available credit on the supplies made /received was higher than the amount paid in challan, then, no interest would be charged provided they deposit system calculated amount for each of the first two months and discharge their entire liability for the quarter in the FORM GSTR-3B of the quarter by the due date.

b) In case such payment of tax by depositing the system calculated amount in FORM GST PMT-06 is not done by due date, interest would be payable at the applicable rate, from the due date of furnishing FORM GST PMT-06 till the date of making such payment.

c) Further, in case FORM GSTR-3B for the quarter is furnished beyond the due date, interest would be payable as per the provisions of Section 50 of the CGST Act for the tax liability net of ITC.

Illustration 1 *– A registered person, who has opted for the Scheme, had paid a total amount of Rs. 100/- in cash as tax liability in the previous quarter of October to December. He opts to pay tax under fixed sum method. He therefore pays Rs. 35/- each on 25th February and 25th March for discharging tax liability for the first two months of quarter viz. January and February. In his return for the quarter, it is found that liability, based on the outward and inward supplies, for January was Rs. 40/- and for February it was Rs. 42/-. No interest would be payable for the lesser amount of tax (i.e. Rs. 5 and Rs. 7 respectively) discharged in these two months provided that he discharges his entire liability for the quarter in the FORM GSTR-3B of the quarter by the due date.*

Illustration 2 *– A registered person, who has opted for the Scheme, had paid a total amount of Rs. 100/- in cash as tax liability in the previous quarter of October to December. He opts to pay tax under fixed sum method. He therefore pays Rs. 35/- each on 25th February and 25th March for discharging tax liability for the first two months of quarter viz. January and February. In his return for the quarter, it is found that total liability for the quarter net of available credit was Rs. 125 but he files the return on 30th April. Interest would be payable at applicable rate on Rs. 55 [Rs. 125 – Rs. 70 (deposit made in cash ledger in M1 and M2)] for the period between due date of quarterly GSTR 3B and 30th April.*

2. **For registered person making payment of tax by opting Self-Assessment Method**

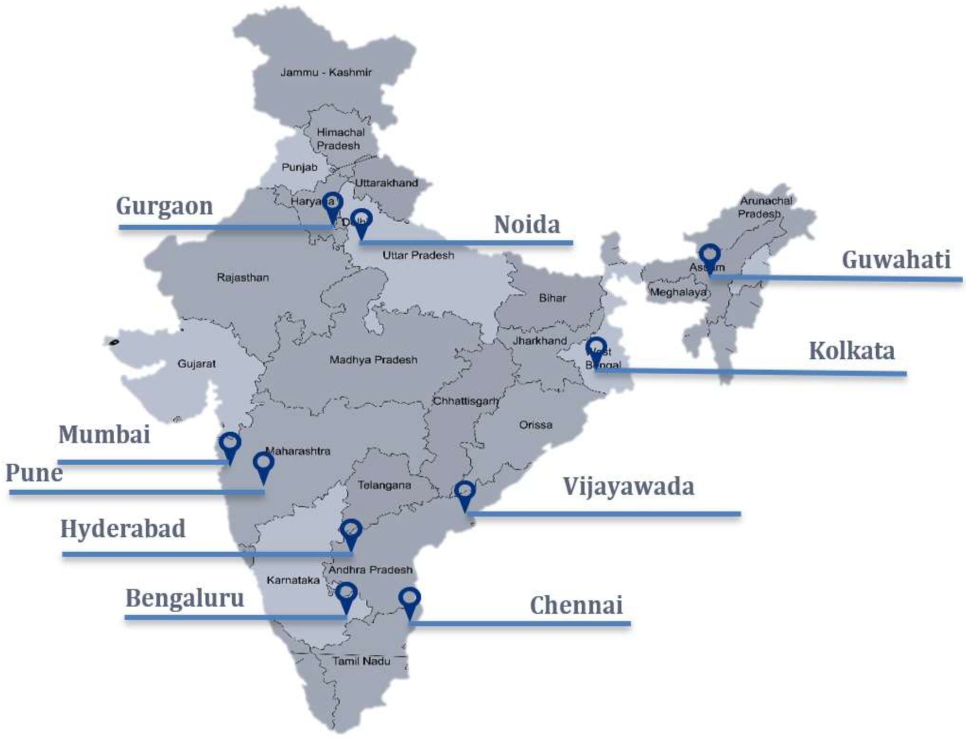
   Interest amount would be payable as per the provision of Section 50 of the CGST Act for tax or any part thereof (net of ITC) which remains unpaid / paid beyond the due date for the first two months of the quarter.

g. Applicability of Late Fee

Late fee is applicable for delay in furnishing of return / details of outward supply as per the provision of Section 47 of the CGST Act. As per the Scheme, the requirement to furnish the return under the proviso to sub-section (1) of Section 39 of the CGST Act is quarterly. Accordingly, late fee would be the applicable for delay in furnishing of the said quarterly return / details of outward supply. It is clarified that no late fee is applicable for delay in payment of tax in first two months of the quarter.

H&A Comments:

The QRMP scheme is based on GSTIN. It is not entity based. This facility can be opted for each GSTIN subject to that particular GSTIN's aggregate turnover in the preceding financial year being less than Rs. 5 Crores.



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gagan@hiregange.com</td></tr>
<tr><td>Pune
Rajyog Creations Apartment,
Flat No. 5, IV Floor, Anand
Park,
Above HDFC Bank, Aundh,
Pune - 411 007.
Tel:+917680000205
ravikumar@hiregange.com</td><td>Vishakhapatnam
D.No 8-1-112, Premier House,
2nd Floor, Vidyanagar, Opp.III
Town Police Station,
PeddaWaltair, Visakhapatnam-
530017 Tel:+918916009235
anil@hirengange.com</td><td>Vijayawada
D. No. 40-26/1-8, Sri Ram Nagar,
Mohiddin Estates,
Labbipet, Vijayawada – 520010
Tel:+9199000 68920
rajeshmaddi@hirengange.com</td></tr>
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